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SAVINGS & INVESTMENTS — Your mortgage and the taxman p.6

BOATS — The latest navigational aids p.8

FEATURES — STERLING p.14 A week of market jitters — THE ARTS COUNCIL A new act begins

WINE — p.13 Why prices are stable in Champagne

BOOKS — p.10 John Updike's other self

NEWS SUMMARY

GENERAL

Portugal coalition cabinet agreed

The partners in Portugal's ruling Democratic Alliance have finally agreed on a coalition cabinet.

This follows long and bitter haggling. The Social Democrats had threatened to end the alliance if the Christian Democrats did not alter their choice of candidates.

The proposed cabinet, to be led by former Education Minister Vitor Crespo, now has to be approved by President Antonio Ramalho Eanes. Page 2

Jaguar verdict

A court martial in West Germany found the two-man crew of an RAF Phantom guilty of negligence for shooting down an RAF Jaguar with a Sidewinder missile. Sentence will be passed today.

Marshall for BA

Former Sears Holdings director Colin Marshall has been appointed full-time chief executive of British Airways. Page 3

Racers missing

Six competitors in the Paris-Dakar motor rally are missing in a sandstorm in Niger's Tenere desert.

Climber safe

Belgian mountaineer Jean Bourgeois, feared dead since he went missing on Mt Everest last month, arrived safely in Kathmandu.

Jewels mystery

West Midlands police hunting jeweller Robert Chatwin were given 15 bags of jewels by his solicitor. They want to ask Mr Chatwin about missing gems and watches worth £2m.

Foot and mouth

About 75 cattle and 100 pigs were killed after an outbreak of foot-and-mouth disease was confirmed on the Danish island of Funen. Page 2

Death of killer

Anthony John Currie was charged with the murder of triple killer Robert Mone in Craiginches Prison, Aberdeen, on Thursday.

Oil flows again

Oil is flowing again along the 180-mile Mozambique-Zimbabwe pipeline closed for five weeks after sabotage. Page 2

Tyred out

A Frankfurt insomniac was arrested after laying 50 boards studded with nails outside his house to discourage noisy traffic. Thirteen drivers reported punctures.

Briefly . . .

Industrial action stopped DFDS Harwich-Esbjerg ferries.

Lightning struck dead six children in Swaziland.

India put a 198lb satellite into orbit.

Johannesburg residents queued for water as drought worsened.

Thousands of Italians struck against economic policies.

BUSINESS

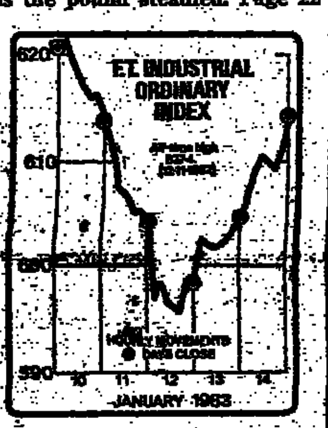
Japan scraps five-year plan

● JAPAN scrapped its five-year economic plan in favour of a longer term perspective to be drawn up by the summer. Back Page Japan provides the U.S. with military technology, Page 2

● STERLING rose 35 points to \$1.583 and to DM 3.73 (DM 3.705), FFr 10.575 (FFr 10.5025), SwFr 3.0625 (SwFr 3.035) and Y365 (Y362.5). Its trade-weighted index was 81.6 (81.3). Page 19

● DOLLAR rose to DM 2.354 (DM 2.3435), FFr 6.68 (FFr 6.65), SwFr 1.934 (SwFr 1.921) and Y230.5 (Y229.4). Its trade-weighted index was 117.2 (116.8). Page 19

● GILTS continued to recover as the pound steadied. Page 22



● EQUITIES gained. The FT Industrial Ordinary Share Index closed up 9.6 at 614.2, but showed a net loss on the week of 6.8. Page 22

● GOLD fell \$4½ an ounce in London to \$483. In New York, the Comex February settlement was unchanged at \$490. Page 19

● WALL STREET was up 4.78 at 1,078.73 near the close. Page 18

● CROUCH GROUP former chairman Ronald Clempson lost his bid to retain a seat on the property company's board. Page 3

● LLOYD'S of London council will consider on Monday whether it should again suspend Mr Ian Posgate from underwriting at Lloyd's. Page 3

● LONDON COMMODITY market is a jungle, said an Old Bailey judge. Page 3

Thorn EMI results

● THORN EMI, electronics and leisure group, reported half-year taxable profits down from £45.5m to £27.6m. Back Page; Lex; Details, Page 16

● KORF STAHL, steel and industrial plant holding company, sought court protection from its creditors. Page 21

● CARRIAN, Hong Kong property group, needs a HK\$4.3bn (£418m) rescue package, says a merchant banker's report. Back Page: asset rating, Page 4

● DAIMLER-BENZ, West German motor manufacturer, is to axe 3,000 jobs at its Brazilian subsidiary. Page 21

● LITTON INDUSTRIES, U.S. defence and electronics group, is making an agreed bid worth about \$233m (£147m) for Itek, high technology defence group. Page 21

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Exchq. 12pc Cv. '85	£103¾	+ 1¼
Treas. 13pc 2000	£109	+ 1¼
Assoc. Newspapers	175	+ 30
Babcock	115	+ 6
Chubb	135	+ 9
Fobel Intl.	120	+ 9
Grosvenor	42	+ 4
Hawker Siddeley	354	+ 8
Horizon	196	+ 16
ICI	386	+ 14
Mellins	134	+ 26
Merrydown	450	+ 30
Morrison (Wm.)	172	+ 6
Mowlem (J.)	228	+ 12
NatWest Bank	502	+ 25
Nrthrn. Goldsmiths	110	+ 10
Pearl Assurance	510	+ 10
Quest Automation	55	+ 8
Sangers	47	+ 5
Staffs. Potts.	31	+ 7
Thorn EMI	437	+ 23
Trusthouse Forte	158	+ 8
UU Textiles	42	+ 6
Vickers	106	+ 5
Wigfall (H.)	165	+ 15
Wilkes (J.)	347	+ 92
Wimpey (G.)	125	+ 5
Jackson Exploration	247	+ 14
Gold Fields SA	£68¼	+ 3¼
Mount Carrington	49	+ 4

FALLS

Treas. 2½pc IL 2011	£108¾	— 1
Benlox	33	— 3
Black (P.)	250	— 10
Ibstock Johnsen	101	— 5
Ocean Wilsons	34	— 3
Westpac	165	— 10
De Beers Dfd.	432	— 16
Randfontein Ests.	£84¼	— 4
Rustenburg Plat.	485	— 10
Vaal Reefs	£72¼	— 1¾

Markets more hopeful as pound's slide halted

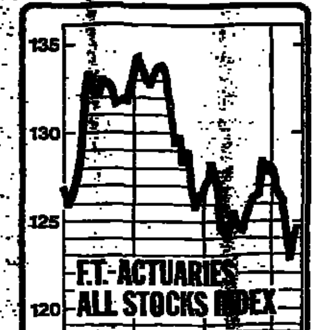
BY JEREMY STONE AND MAX WILKINSON

THE LONDON financial markets showed more optimism yesterday after a turbulent week in which the pound's steep slide had to be stemmed by a rise in interest rates and stern words from the Prime Minister.

After nudging its lowest ever value against the dollar earlier in the week, the pound climbed back to close yesterday at the same level as its close on Monday. Even so, the pound has now lost nearly 12 per cent of its overall value since the beginning of November. Its decline since Christmas has been 3 per cent.

Government stock prices, which had been plunging earlier in the week, rose by up to 1½ points yesterday as dealers gained confidence that sterling would recover and that the threat of a further rise in interest rates was lifting. Equity prices moved up in sympathy.

On Tuesday the clearing banks, led by Barclays, raised their base lending rates by 1 percentage point to 11 per cent against the background of an



accelerating slide in the pound.

As sterling recovered yesterday, however, the Bank of England took advantage of the more cheerful mood in the markets to launch a new £750m long-dated index-linked stock.

The Bank's eagerness to prevent market interest rates from rising much further in the next few weeks was emphasised yesterday when it announced that a £1.2bn line of extra temporary credit would be made available to the banking system later this month.

It feared that heavy corporate tax payments which always drain large sums of cash out of the money market at this time of the year, would otherwise drive up money market interest rates.

● The pound closed at \$1.583 in London yesterday, 35 points higher on the day against a dollar which had itself been gaining marginally against the other currencies. Sterling also gained nearly 3 pfennigs to close in London at DM 3.73 and rose by Y2.5 to Y365.

The day's rise in the pound's effective exchange rate was 0.3 points on the Bank of England's index measured against a trade-weighted basket of currencies, which closed in London at 81.6 (1975=100).

● Equity prices moved up strongly on the last day of the account adding 9.6 points to the FT Industrial Ordinary Index,

Continued on Back Page
Sterling: a week of market jitters, Page 14
Editorial Comment, Page 14
Lex, Back Page

RECORD NEW ISSUES OF EURODOLLAR BONDS

The Eurodollar bond market achieved a record new issue volume of \$3bn this week, writes Alan Friedman. Yesterday saw the jumbo \$1bn floating rate note for Sweden increased to \$1.2bn. New dollar bonds for Texaco, General Electric (U.S.) and the Nordic Investment Bank totalled a further \$325m. The flood of new Eurobonds this week has been based partly on expectations of declining U.S. interest rates, but bankers said last night the market was now beginning to suffer from too much new paper. Several major investment banks have engaged in cut-throat competition to obtain mandates for new issues. Yesterday's \$150m 9¾ per cent seven-year Texaco bond was led by Credit Suisse First Boston, which defeated four U.S. banks to obtain the mandate.

Building societies' mortgage rate held

By Michael Cassell

THE BUILDING society mortgage rate will be held at 10 per cent for the time being although bank mortgage customers face an early rise in home-loan costs.

The societies have seen bank base lending rates rise by 2 percentage points since last November when they cut their own interest rates. Yesterday, however, they decided against any immediate response.

Their next move will depend largely on the inflow of funds in the rest of the month. Higher investment and mortgage rates in February are not being ruled out.

If interest rates rise again generally in the next two or three weeks, more expensive building society home loans seem inevitable. The societies might well decide to call a special meeting, to implement higher rates without delay.

Mr Richard Weir, secretary general of the Building Societies Association, said yesterday the societies had recorded their best-ever December for receipts but prospects were not particularly encouraging.

"The outlook is much less pleasing and the recent increase in competing rates will, if sustained, make much more difficult for societies to maintain their recent success in the savings and mortgage markets without changing their own rates," he said.

Although prospects for higher building society mortgage rates remain uncertain, rises in bank home-loan rates, now broadly comparable with those offered by the societies, could be imminent.

With bank base rates at 11 per cent their mortgage rates now look well out of line. The last time base rate was 11 per cent banks were charging 13¾ per cent for home loans.

Barclays, which last year made major inroads into the mortgage market before reducing its home-loan quotas, said last night it would not be surprised to see an early rise in bank mortgage rates.

Action by one major clearing

Continued on Back Page
Your mortgage and the taxman, Page 6

Engineering steel talks start again

BY NICK GARNETT AND IAN RODGER

TALKS aimed at consolidating Britain's remaining engineering steel capacity and hiving off the British Steel Corporation's interest to the private sector have been resumed.

Negotiations on this so-called Phoenix 2 project collapsed nearly a year ago partly because some of those involved thought markets were improving.

Since then demand for almost all steel products has dropped drastically as was demonstrated again yesterday when BSC announced another 635 redundancies in the Teesside area.

One of the mills affected, which makes 44-inch diameter pipe, has no work in hand, and BSC proposes to shed almost all 327 workforce and take back those needed on a temporary contract basis when orders are won.

The Phoenix 2 negotiations are being conducted with new urgency in the light of the dramatic drop in demand for engineering steel in the UK. The market is said to be about half the 3.4m billet tonnes delivered in 1976.

The talks have been simplified by the substantial contractions which have already occurred in the sector. Duport closed its engineering steelworks in South Wales in 1981 and BSC closed Round Oak Steel Works in the West Midlands last autumn.

Only BSC, with works in the Sheffield-Rotherham area, GKN, with its Brymbo works in North Wales and Hadfields, the Lonrho subsidiary in Sheffield, are left in the sector.

The discussions are understood to be proceeding on a bipartite basis with BSC talking separately to GKN and Hadfields. Glynwed, the diversified West Midlands manufacturing group which is a major consumer of engineering steels, is also believed to be involved.

GKN said in October that Brymbo was running at little more than one-third capacity—a level not viable in the long term. Lonrho indicated a week ago that it could not be expected to shoulder losses at Hadfields for much longer.

Completion of a Phoenix 2 agreement and the privatisation of BSC's engineering steel business would help Mr Ian MacGregor fulfil one of the criteria set for the performance payments in his three-year contract as chairman.

Meanwhile, steel unions reacted angrily yesterday to proposals that redundant workers at the Hartlepool large diameter pipe mill be taken back on a contract basis when new orders come in.

Mr Peter Woods, divisional officer of the Iron and Steel Trades Confederation, said it would be a "return to serfdom days." The union would recommend a mass meeting next Tuesday to reject the idea.

Mr Terry Lindley, the mill works manager, said BSC was trying to win five new orders and the temporary contract labour idea was the best way to secure the mill's future. Flexibility was needed.

BSC said a further 335 redundancies would be made at the nearby plate mill and in general site services by greater job flexibility and eliminating some supporting services.

These are in addition to more than 2,000 redundancies announced by BSC in the Teesside area in the past six months and push the male unemployment rate in Hartlepool to over 25 per cent, one of the highest rates in Britain. Other major employers in the area, including GKN, Buxted and GEC, have also recently substantially cut their workforces.

The latest BSC redundancies are being made in the context of the deepest slump in demand for UK steel since the 1940s. Figures published this week showed that total output last year was only 13.7m tonnes compared with 15.6m tonnes in 1981 and a peak of 26.7m tonnes in 1973.

BSC accounted for about 85 per cent of UK production last year. In December, UK steel production averaged only 177,100 tonnes per week, a third lower than in December 1981.

Courtaulds to pull out of cheap hosiery market, Page 3
Korf Stahl seeks court protection, Page 21

£ in New York

	Jan. 13	Previous
Spot	\$1.5825-5840	\$1.5780-5790
1 month	0.40-0.35 dis	0.40-0.37 dis
3 months	0.94-0.89 dis	1.02-0.98 dis
12 months	3.15-2.95 dis	3.05-2.95 dis

Reagan still determined to succeed in arms talks

BY ANATOLE KALETSKY IN WASHINGTON

PRESIDENT REAGAN tried yesterday to refute the charges that his Administration was in disarray by calling a televised Press conference in which he reaffirmed his determination to succeed in nuclear disarmament talks with the Soviet Union.

He did nothing, however, to clarify his economic policies, which have provided the main reason for the speculation that the President has lost control over his own Cabinet and the White House staff.

Calling arms control "the most important undertaking of our generation," Mr Reagan said he would consider "every serious proposition" for an effective agreement.

He said that with a new, "more streamlined" negotiating team after this week's enforced resignations of several senior arms control officials, the Administration was now "in a position to get somewhere" in the Geneva disarmament talks.

"I am determined that we shall," he added.

The President refused to spell out what modifications, if any, he might be willing to make in the U.S. negotiating position and suggested that there was no likelihood of an early summit meeting with Mr Yuri Andropov, the Soviet leader.

Vice-President George Bush, he said, would ensure in his European tour that the allies were fully consulted and that their ideas were fully taken into account in U.S. negotiating tactics.

On the economy, the President increased confusion about the Administration's policies by suggesting that "there are still decisions to be made" on some of the policies which have been extensively discussed in the Press by senior Administration officials.

He suggested that there were still no final decisions on tax increases and other programmes to reduce deficits in the years beyond 1984, despite the fact that Mr James Baker, the White House chief of staff, stated publicly yesterday that new taxes to keep these deficits under control were likely.

He refused to pre-empt the recommendations of a special commission on social security deficits which is due to report to him this weekend.

Though it is considered almost certain that he will approve a combination of tax increases and benefit reductions to cut social security deficits by about \$200bn over the seven years, Mr Reagan would not confirm this.

Insisting that "philosophically I have not changed at all," the President only hinted at new flexibility in his economic policy when he conceded that he would be "facing realities" in his 1984 budget and would come up with a budget plan "which we think will be acceptable to Congress."

Fund may fight Viyella head's deal

BY DAVID FREUD

The Post Office Pension Fund is considering legal action to change the terms of the service agreement of Mr Bill Fieldhouse, chairman of Carrington Viyella, in the company's proposed merger with the Vantona Group.

This follows reports that Mr Fieldhouse received a golden handshake of about £700,000 on leaving Letraset a year ago. This would be the biggest golden handshake yet seen in the UK.

The Post Office is likely to receive support from other institutions over Mr Fieldhouse's service contract with Vantona. This allows Mr Fieldhouse to treat any dissatisfaction over policy or management issues as a repudiation of his service agreement, which stretches for five years at £75,000 a year.

The institutions consider that this means he has an option to leave the combined Vantona and Carrington group any time in the next two years and receive £375,000.

Yesterday Mr David Malcolm, chief investment manager at Royal Insurance, said: "We are not happy with the arrangements as presently proposed for compensation. If someone could come up with a way of stopping them, we would certainly back them."

Acceptances by Carrington Viyella shareholders of the Vantona offer must be forwarded by Thursday. On Friday, Vantona will hold an extraordinary general meeting to approve the deal. Any legal action, which might be undertaken through the National Association of Pension Funds, could upset the timetable.

The Letraset accounts for the period to March, filed on Wednesday, show that Letraset paid out £1,467,000 to Mr Fieldhouse and five of his colleagues as golden handshakes after the Swedish group, Esselte, took over the company in the autumn of 1981.

It is believed that Mr Fieldhouse received nearly half this amount, although yesterday, speaking from Canada, he said: "The individual figures involved in the compensation do not have to be declared and I have taken the view that they are personal."

The Post Office Pension Fund has developed a reputation for aggressive intervention over payments to company directors. Last year it challenged a proposed golden handshake to Mr Jack Gill of ACC, and forced the directors of Marks and

Continued on Back Page
Bids and Deals, Page 16
Lex, Back Page

CONTENTS

For latest Share Index phone 01-246 8026

OVERSEAS NEWS

Portuguese parties agree coalition cabinet

BY DIANA SMITH IN LISBON

PORTUGAL'S warring Social Democrats and Christian Democrats have finally managed to agree on a coalition cabinet.

President Antonio Ramalho Eanes now has to approve or reject what many observers consider a stop gap administration—the 15th since 1974—already threatened with extinction by early general elections.

The uneasy truce of the crumbling Democratic Alliance of Social Democrats, Christian Democrats and monarchists followed a long and bitter bout of haggling between the two senior parties over the Christian Democrats' choice of personalities for seven ministries.

So fierce was the battle that less than 48 hours before expiry of the presidential deadline of January 15 for formation of a coalition cabinet, the Social Democrats were threatening to break up the alliance if the Christian Democrats did not alter their list.

If President Eanes proves amenable, the coalition cabinet will be headed by Prof Vitor Crespo, former Minister of Education.

Although most of his cabinet is barely known to the Portuguese public, as, indeed, is the professor, one or two solid names from past administrations give it some weight.

Sr Ricarado Bayao Horta, who proved a dynamic Industry, Energy and Export Minister in the outgoing cabinet, is expected to remain in this position, and take on responsibility for all trade.

In the last cabinet, trade, for reasons never grasped by observers, was split between the Industry and Agriculture Ministries, a measure which hampered rapid and accurate foreign trade statistics and caused conflicting policies.

Meanwhile, Sr Alipio Dias, longtime Secretary of State for the Budget, is expected to be Finance Minister. Sr Dias probably has the most thankless task of all the new incumbents. He will have to rush through a 1983 budget to help Portugal's depleted finances.

Barring some last-minute switch, the delicate matter of European integration is likely to be handled by Sr Viana Baptista, until now minister of housing, transport and public works.

The pace of negotiations on EEC membership has slowed in recent months largely because of the Community's own difficulties. Portugal's government crisis has also delayed decisions.

Although a crisis has been averted for the time being, the future of the alliance remains uncertain. Prominent Social Democrats and Christian Democrats have already talked of a snap general election later this year.

Coalition members are thought to be tiring of the strain of keeping it together without the coherent force of the founder, the late Francisco sa Carneiro, and are ready to let it break down under the pressure of a drained economy.

Prof Vitor Crespo

Japanese military technology for U.S.

By Jurek Martin in Toyko

THE JAPANESE government yesterday formally approved a change in long-standing policy by authorising the transfer of Japanese military technology to the U.S. The technology covers large-scale integrated circuits, fibre optics and radar-proof plastics.

It has been evident for some weeks that the Government would take this step in order to furnish Mr Yasuhiro Nakasone, the Prime Minister, with something to offer President Reagan when the two confer in Washington next week.

So certain was the decision that Mr Caspar Weinberger, U.S. Defence Secretary, gave an interview welcoming the Japanese decision even before the Cabinet met in Tokyo.

The U.S. first asked Japan for access to sophisticated technologies with military application in 1981 as part of its concerted effort to get Japan to play a more positive defence role. Simultaneously, it has continued to ask Japan to increase its defence spending.

Technology transfer, however, ran up against a series of informal Cabinet decisions taken in the late 1960s and early 1970s which have assumed considerable political weight in Japan.

These prohibit the export of arms to countries, under a United Nations arms embargo, to Communist countries, and to countries either in or likely to engage in hostilities. The U.S. potentially came into the third category.

But the official Cabinet statement yesterday said that "such transfer of military technologies (to the U.S.) will not be subject to the three principles on arms exports."

Mr Masahru Gotada, Chief Cabinet Secretary, added that Japan would continue to supply the U.S. with military technology even if the U.S. were to become engaged in armed action outside its borders.

The decision will provoke some domestic political opposition, but Mr Nakasone clearly decided that this would be an easier burden to bear than continued friction, on several fronts, with the U.S.

The Prime Minister rarely lets an opportunity pass without emphasing the priority he places on close relations with the U.S.

Kremlin launches attack on Kohl government

MOSCOW—The Kremlin yesterday launched a strong attack on the West German Government and indicated it would like to see it replaced by the opposition Social Democrats in the March elections.

In the first major Soviet Commentary on the Government of Chancellor Helmut Kohl since he came to power in September, the Communist Party daily Pravada attacked the Bonn leadership over its support for U.S. defence policies.

It also claimed that the West German administration had tried to shift blame for the country's economic problems on to the Social Democrats.

Pravada charged that Herr Kohl's Christian Democratic Union (CDU) and its Bavarian sister-party, the Christian Social Union (CSU) "in the most ferment way supported the aggressive course of Washington."

The newspaper added that the Reagan Administration wanted to keep West Germany in a position of dependence. "Across the Atlantic, particular hopes in this connection are connected with the coming to power in Bonn of a Government headed by the CDU/CSU."

The Pravda commentary came only two days after a visit to Moscow by Herr Hans-Jochen Vogel, Social Democratic candidate for the Chancellorship in the March 6 elections.

The Reagan Government looks on the perspective of a Kohl Governmentas an opportunity to strengthen the conservative axis of Bonn-London-Washington," it declared.

In what Western diplomats said appeared to be an attempt to score the West German electorate into voting for the Social Democrats Pravda said the deployment of new U.S. medium-range missiles in Europe' will create fatal dangers."

The Social Democratic Party is regarded as being more flexible towards Soviet arms limitation proposals than the Christian Democrats, and has urged compromise in arms talks.

Pravda stressed the importance of the anti-war movement in the coming elections and said détente had brought West Germany unprecedented trade with Soviet bloc countries.

It suggested that West Germany's economic woes would not be solved by the Christian Democrats.

"Casting itself in the role of an alternative, and tempting the country with a new beginning, the CDU/CSU is attempting to portray the Social Democrats as the main instigators of the economic crisis." Reuter

The Soviet Union yesterday accused China of blocking progress towards better relations by raising claims on Soviet territory and using the issue to generate hatred of Moscow, Reuter reports from Moscow.

A commentary carried by Tass, the official news agency, said China had stepped up the publication of articles attacking the Soviet Union on the border question, and declared that this stood in glaring contrast to statements that China wanted improved ties.

Observers said the commentary appeared to be not so much an attack on Peking as a means of setting out a Soviet counter-demand for concessions in the process towards mending Sino-Soviet relations.

Chile takes control of five banks

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE CHILEAN government is to assume direct control over the management of five commercial banks and to close two others in an effort to restore domestic and international confidence in its ailing financial system.

Banks affected include the country's two largest in terms of total assets—Banco de Chile and Banco de Santiago. Both are to be put in the hands of a Government-appointed manager.

Announcing the moves on Chilean television, Finance Minister Rolf Luders said: "The only serious problem retarding an economic recovery is a lack of confidence at home and abroad because of the volume of our indebtedness and doubts about the solvency of our financial institutions."

Chile's banks, many of whom are active borrowers in the Euromarkets, have been hit by the deep recession which saw Chile's economic output slump 13 per cent last year

Yesterday, banks across the country were closed to allow the new measures to take effect.

The two banks being liquidated are Banco Hipotecario de Chile and Banco Unido de Fometo, both of which have Euromarket loans outstanding. Also being shut down is a small finance company Ciga. The three other banks being placed under state management are Banco de Concepcion, Banco Internacional and Banco Colocadora Nacional de Valores. All those under state management will continue to meet foreign debt obligations.

Despite the Latin American debt crisis, Chile managed to raise a \$305m loan for its state copper company Codelco late last year. It has just signed up an SDR 795m (£552m) loan package from the International Monetary Fund

Venezuela move on foreign debt arrears

BY PETER MONTAGNON,

VENEZUELA sought yesterday to avert potentially serious damage to its international credit rating by ordering its state development agency Corporation Venezolana de Fomento to pay off outstanding arrears on its \$3bn (£1.8bn) foreign debt.

The arrears problem came to a head this week when the agency was sued in New York for non-payment of a \$2.65m debt service bill to Nordic Asia Bank, a subsidiary of London's Nordic Bank.

This led to fears on the euromarket that Venezuela could face a host of similar actions, jeopardising its efforts to refinance some \$8.7bn in short-term debt.

Speaking from Caracas, Dr Erica Sullivan, the country's Director of Public Credit, said that all the CVF arrears would be paid within the next week.

The Finance Ministry was currently computing the total and had already discovered \$32m in arrears, she said. CVF's difficulty paying this money arose because of problems in obtaining the necessary budgetary authorisation.

Payment will alleviate problems Venezuela is currently experiencing with its debt refinancing programme. But bankers say that Venezuela's credit rating has still been impaired by debt problems elsewhere in Latin America and fears of a lower oil price. Oil accounts for virtually all its exports.

They are expecting Sr Arturo Sosa, the country's new finance minister, to visit financial capitals shortly to restore the country's image on foreign capital markets. But Dr Sullivan said she could not yet confirm this trip or when it might take place.

Reuter adds from Caracas: Another seven banks have decided to take legal action to recover overdue interest and principal from the \$20m (£12.7m) loan guaranteed by CVF, to Hoteles Vacacionales, banking sources said.

Pope to receive 'Argentine victims' list

By John Arden in Rio de Janeiro

CARDINAL Paulo Evaristo Arns of Brazil will hand over to the Pope on Monday the biggest list yet compiled of victims of political repression in Argentina.

The list of 7,291 names was compiled by Clamor, the committee for defence of human rights in the southern cone of South America.

The president of Clamor Sr Jaime Wright, says it took 2½ years to compile the list, with each name being doubly-checked. It has 1,000 names more than a similar list drawn up by human rights organisations in Argentina itself.

It also has a supplementary list of 494 names of people whom Clamor has confirmed as being detained, exiled or dead and buried.

Cardinal Arns, Archbishop of Sao Paulo, described the disappearances as the "biggest disgrace of our epoch" and criticised the death of defenceless people "while in the hands of power."

The list also includes 128 people who disappeared in Brazil after the military coup of 1964. The church in Brazil has been prepared to criticise repressive actions by the military régimes of the southern cone.

The Argentine church has generally preferred to stay clear of the issue, appealing only for reconciliation of the military and its opponents.

Foot-and-mouth confirmed in Denmark

By Hilary Barnes in Copenhagen

AN OUTBREAK of foot-and-mouth disease has been confirmed at a farm on the Danish island of Funen. About 75 cattle and 100 pigs were immediately destroyed.

The Funen slaughter-houses stopped taking delivery of animals and suspended slaughtering, which will mean a fall of about 22,000 a week in the number of pigs slaughtered in Denmark.

All export of fresh meat and pigs and cattle from the island will be stopped.

The other Nordic countries declared a ban on the import of meat and dairy products from Denmark. The Danish veterinary authorities will inform the EEC of the precautions they have taken, at a meeting next week.

The new outbreak is the same strain which caused an outbreak in Denmark in the spring, when 22 farms were affected.

Richard Mooney writes: There are no plans to restrict imports of Danish pigmeat products into Britain for the time being, the Ministry of Agriculture said yesterday. Measures imposed by the Danish authorities to contain the spread of the disease were more stringent than those taken last year, it declared.

Walesa kept waiting

Mr Lech Walesa, former leader of Poland's banned trade union Solidarity, yesterday formally notified the management of the Lenin shipyard in Gdansk that he was ready to start work on Monday, Christopher Bobinski reports from Warsaw.

Mr Walesa, who was kept waiting at the gate for some 50 minutes until a management official could be found to talk to him, was told he would have to provide papers proving he was not employed elsewhere.

● Poland's industrial production fell last year by 2 per cent compared to 1981, preliminary figures show.

The relative recovery compared to 1981, when industrial production fell by 10.7 per cent, came with industry working at 60 per cent capacity.

China N-plant credits

Britain will be prepared to provide credits to China to buy British equipment for a proposed nuclear power plant in Southern China, Mr Patrick Jenkin, Industry Secretary, said yesterday, Reuter reports from Hong Kong.

Britain's main interest in the Guangdong project was in supplying turbines and laying transmission lines, he added.

Britain's General Electric Company and Balfour Beatty were bidding for Chinese orders worth more than £500m.

Italian prime cut

The Italian Banking Association (ABI) said yesterday that it had cut its indicated prime rate to 20 per cent from 20.75 per cent, effective on February 1, Reuter reports from Rome. The indicated prime was cut from 21.75 per cent on August 26 last year.

Delors plan to cut savings interest rate shelved by Premier

BY DAVID MARSH IN PARIS

THE FRENCH Finance Minister, M Jacques Delors, has suffered a blow to his authority following the decision of M Pierre Mauroy, the Prime Minister, to overrule the Finance Ministry's plans to cut interest rates on savings deposits as part of a programme to reduce industry's credit costs.

M Mauroy declared the proposed cut in savings rates from 8.5 per cent to 7.5 per cent—announced by M Delors last week and planned to take effect from this weekend—would be postponed indefinitely.

This followed strong opposition from within the Socialist Party to the move, which would have deprived 40m-plus French holders of savings accounts of a small but important part of their income during the crucial run-up to the municipal elections in March.

M Delors, the main exponent in the government of a rigerous economic policy to bring down inflation and safeguard the franc, is said to be angry about the Prime Minister's action.

The cut in savings interest rates—which may now stay frozen at 8.5 per cent until after the elections — was designed to cut the cost of banks' and savings institutions' resources and to pave the way for further reductions in interest rates on loans to industry.

However, the other main part of the package of interest rate reductions unveiled last week—a cut in the banks' base lending rates from 12.75 per cent to 12.25 per cent—remains intact.

This reduction has been made possible largely by a decrease in the minimum reserves levied by the Bank of France on bank deposits also announced last week and since put into effect.

M Delors has already clashed with the mainstream of the Socialist Party on a number of other economic issues in recent months. He was the first minister to make clear that the Government would be unable to carry out completely its promise to increase the purchasing power of the minimum wage by 4 per cent.

He has also spoken out against Socialist plans to create a National Investment Bank to channel state funds to industry.

M Delors maintains the cut in savings deposit rates should be a natural concomitant to the reduction in inflation for last year, down to 9.7 per cent from 14 per cent in 1981, according to official figures announced this week.

The overturning of his decision for overtly political reasons may further isolate M Delors in the Socialist Party.

U.S. economy 'may be moving out of recession'

BY ANATOLE KALETSKY IN WASHINGTON

THE U.S. economy may at last have reached the trough of the recession, Reagan Administration economists said yesterday, as the Federal Reserve Board announced that industrial production had dropped by only 0.1 per cent in December,

Three-quarters of the nation's leading private economic forecasters now believe that an upturn in the business cycle began in December or this month, according to a survey just published by blue chip economic indicators.

Although the Fed found that production in October and November was considerably worse than previously estimated, a senior Commerce Department official predicted that the figures may finally "be levelling off and a turning point may be at hand in January."

He said there was a chance that the January index would show an increase, because the auto industry, which accounted for most of the buoyancy in last month's figures, is raising production further.

Nevertheless, U.S. industry remains under intense pressure, as underlined by another set of figures published yesterday—on producer prices.

The producer price index increased by only 0.1 per cent in December and by a mere 3.5 per cent during 1982 as a whole. This was the best annual price performance since the 3.2 per cent increase in 1972.

But an official of the National Association of Manufacturers pointed out that "the decline in prices has become too much of a good thing," since it was caused by weak demand and falling profits.

The price figures showed that "the pick-up in consumer spending has not yet firmed up the markets," the Commerce Department acknowledged.

The Fed said production of durable goods rose 1.9 per cent last month and was up 3.3 per cent from a year earlier. Non-durable output fell 0.4 per cent in December and declined 1.7 per cent from December 1981.

The Board said production of business equipment dropped 0.3 per cent last month and was 19.5 per cent down from December 1981.

Beira pipeline reopened

BY OUR HARARE CORRESPONDENT

OIL IS again flowing along the Beira-Mutare pipeline after a five-week shutdown caused by a Mozambique resistance movement guerrilla attack on the Beira oil tank farm complex.

Officials said diesel fuel, in critically short supply, started to flow on Wednesday in spite of a further successful sabotage attack which blew a new hole in the 180-miles-long pipeline on January 5.

The pipeline carries about three-quarters of Zimbabwe's liquid fuel requirements and is supplemented by imports by rail direct from the port of Maputo in Mozambique or via the South African railway system.

The pipeline resumed operations at a time when Zimbabwe's fuel reserves are believed to be at dangerously low levels. Some petrol filling stations in Zimbabwe have been warned that next week's deliveries will be cut by as much as 40 per cent.

F.T.-ACTUARIES SHARE INDICES

QUARTERLY VALUATION

The market capitalisations of the groups and sub-sections of the FT-Actuaries indices as at December 31, 1982, are expressed below in millions of pounds and as a percentage of the All-Share Index. Similar figures are also provided for the two preceding quarters.

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses denote number of stocks)		Market capitalisation as at Dec. 31, 1982 (£m.)	% of all share index	Market capitalisation as at Sept. 30, 1982 (£m.)	% of all share index	Market capitalisation as at June 30, 1982 (£m.)	% of all share index
1	CAPITAL GOODS GROUP	(208)	25,611.7	22.37	25,615.8	23.91	22,815.2	23.93
2	Buildings Materials	(24)	3,833.4	3.35	3,319.0	3.10	2,965.9	3.11
3	Contracting, Construction	(30)	2,212.8	1.93	1,880.8	1.75	1,632.9	1.71
4	Electricals	(32)	11,809.4	10.31	12,782.6	11.93	10,259.2	10.76
5	Engineering Contractors	(10)	517.3	0.45	551.5	0.51	654.9	0.69
6	Mechanical Engineering	(66)	3,582.8	3.13	3,607.7	3.37	3,660.4	3.84
8	Metals and Metal Forming	(11)	879.9	0.77	803.1	0.75	880.9	0.92
9	Motors	(18)	514.9	0.45	490.2	0.46	576.2	0.61
10	Other Industrial Materials	(17)	2,261.2	1.98	2,180.9	2.04	2,184.8	2.29
21	CONSUMER GROUP	(201)	39,684.6	34.66	36,523.4	34.10	29,731.6	31.18
22	Brewers and Distillers	(23)	6,822.5	5.96	6,108.5	5.70	4,823.3	5.06
25	Food Manufacturing	(21)	5,292.7	4.62	4,741.0	4.43	4,286.0	4.50
26	Food Retailing	(14)	3,493.5	3.05	3,223.0	3.01	2,466.2	2.59
27	Health and Household Products	(8)	5,725.8	5.00	4,954.9	4.63	3,843.4	4.03
29	Leisure	(24)	2,745.8	2.40	2,578.7	2.41	2,337.3	2.45
32	Newspapers, Publishing	(13)	393.3	0.34	338.3	0.31	317.0	0.33
33	Packaging and Paper	(14)	1,029.3	0.90	1,036.7	0.97	1,021.4	1.07
34	Stores	(47)	9,686.8	8.46	9,340.3	8.72	7,057.2	7.38
35	Textiles	(23)	1,029.8	0.90	1,018.6	0.95	976.1	1.02
36	Tobaccos	(3)	3,259.2	2.85	2,978.4	2.78	2,433.9	2.55
39	Other Consumer	(11)	208.9	0.18	205.0	0.19	184.8	0.20
41	OTHER GROUPS	(77)	9,184.0	8.02	8,178.8	7.64	7,737.8	8.11
42	Chemicals	(15)	3,711.2	3.24	3,136.9	2.93	3,110.8	3.26
44	Office Equipment	(5)	432.1	0.38	435.3	0.41	457.5	0.48
45	Shipping and Transport	(13)	878.7	0.77	900.3	0.84	920.2	0.96
46	Miscellaneous	(44)	4,162.0	3.63	3,706.3	3.46	3,249.3	3.41
49	INDUSTRIAL GROUP	(486)	74,480.3	65.05	70,318.0	65.65	60,284.6	63.22
51	Oils	(14)	12,292.7	10.74	10,987.0	10.26	10,964.3	11.50
59	500 SHARE INDEX		86,773.0	75.79	81,305.0	75.91	71,248.9	74.72
61	FINANCIAL GROUP	(121)	17,679.7	15.44	16,342.6	15.26	15,655.7	16.42
62	Banks	(6)	4,110.8	3.59	3,823.5	3.57	3,839.2	4.03
63	Discount Houses	(8)	188.0	0.16	185.0	0.17	142.7	0.15
65	Insurance (Life)	(9)	2,670.6	2.33	2,256.7	2.11	1,938.0	2.03
66	Insurance (Composite)	(10)	3,640.7	3.18	3,359.7	3.14	3,123.4	3.28
67	Insurance Brokers	(7)	867.7	0.76	930.1	0.87	882.0	0.92
68	Merchant Banks	(13)	843.5	0.74	771.9	0.72	737.0	0.77
69	Property	(54)	4,110.9	3.59	3,900.6	3.64	3,919.1	4.11
70	Other Financial	(14)	1,247.5	1.09	1,115.1	1.04	1,075.3	1.13
71	Investment Trusts	(109)	6,540.3	5.71	5,933.6	5.54	5,323.4	5.58
81	Mining Finance	(4)	2,352.6	2.06	2,109.1	1.97	1,817.3	1.90
91	Overseas Traders	(16)	1,149.8	1.00	1,422.6	1.32	1,314.1	1.38
99	ALL-SHARE INDEX	(750)	114,495.4	100.00	107,112.9	100.0	95,359.4	100.00

Washington's second couple heads for the top

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

IN A MATTER of days they have become known as "the second most powerful couple in Washington." And, unusually for America, it is the wife's sudden promotion which has qualified them as contenders for the title.

She is 46-year-old Mrs Elizabeth "Liddy" Dole, who last week was appointed Secretary of Transport—subject to expected Senate approval. Mrs Dole is the second woman of cabinet rank in the Reagan Administration, the first being Mrs Jeane Kirkpatrick, the fire-eating U.S. ambassador to the United Nations. A third, Mrs Margaret Heckler, was named Secretary of Health and Human Services on Wednesday in a further bow by Mr Reagan in the direction of women voters.

He is her 59-year-old husband, Senator Robert Dole, former Republican vice-presidential nominee, now the powerful chairman of the Senate Finance Committee and a possible future presidential hopeful.

Unlike the first family, the Doles, who were married in 1975, are far from being a team act. Observers note that the pressure of their dual careers means they are rarely seen together on the Washington social and political circuit.

Mrs Dole took time off from her job as a member of the Federal Trade Commission to campaign for her husband as President Gerald Ford's unsuccessful running-mate in 1976, and actively supported him in his failed bid for the presidential nomination in 1980. She then wisely switched her allegiance to Mr Ronald Reagan.

The Doles . . . Washington's second most powerful couple

In the job she has held for the past 13 months or so, however, she has had to keep her distance from her husband's career, as he has from her's.

While Mr Dole has been one of the key figures in forming tax and budget policy on Capitol Hill, Mrs Dole has been working in the White House as assistant to the President for public liaison with business and other, often minority, special interest groups.

They both quickly decided they had professional secrets they must keep from one another.

Mr Dole masterminded, virtually single-handed, the congressional passage of last autumn's \$99bn (£63bn) tax package, despite a distinct initial lack of enthusiasm on the part of Mr Reagan.

At the White House, Mrs Dole was regarded as bright, charming, competent and industrious, if somewhat quiet. She never succeeded in penetrating the "inner loop" of those closest to the President—perhaps a tall order—and has been criticised for overdoing her research and losing track of broader priorities.

At transport she has a tough act to follow. Mr Drew Lewis was widely regarded as one of the most capable men in the Administration. He won his Reaganite spurs in the defeat of the striking air traffic controllers in the late summer of 1981.

Mrs Dole will have the tough task of completing the rebuilding of the air traffic control system, which was started by Mr Lewis, and dealing with continuing management problems at the Federal Aviation administration along the way.

She will probably have to take on both the powerful Teamsters' union and the trucking bosses in carrying out an Administration plan for the industry's further deregulation, and face thorny problems involving mass transit finance and the relaxation of car safety requirements.

If Mr Reagan decides not to seek a second term, she may well also find herself called on again to rally support for her husband on the presidential hustings.

Mr Dole is clearly preparing for a second try at the Republican nomination should Mr Reagan decide not to run again.

Indeed, he put considerable distance between himself and the President during the lame-duck congressional session at the end of last year on major tax and economic policy issues.

After gaining a reputation as a tough, often acerbic right-winger, Mr Dole has mellowed since he only narrowly retained his Kansas Senate seat in 1974 and the Republican defeat in the 1976 presidential race.

Many analysts have suggested his aggressive, often unappealing conduct in the 1976 campaign may have been instrumental in the Republicans' narrow loss of the White House to Mr Jimmy Carter.

Mr Dole's Senate role as budget cutter and tax-raiser is not necessarily the best base from which to run for the presidency, despite his populist Kansas roots. His committee's forthcoming examination of the two sensitive issues of social security and free trade versus protectionism may not win him many friends.

But he can be witty and charming in private, and his television performances have been improving. Some influential pollsters believe that, although he is still relatively unknown nationwide (compared, for example with Vice-President George Bush or Senator Howard Baker, the Republican majority leader), his prominence in the formation of budgetary and economic policy can only help to increase his general "visibility."

He is still a very long shot for 1984, but he certainly does not hide his ambition to move his family one final notch up from the number two power position.

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British Airways gains full-time chief executive

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SIR JOHN KING, chairman of British Airways, has appointed a full-time chief executive to the airline from February 1. He is Mr Colin M. Marshall, 49, formerly a director and deputy chief executive of Sears Holdings, the industrial holding and retailing group.

Mr Marshall will take over chief executive duties hitherto combined into one post by Mr Roy Watts, the airline's deputy chairman. Mr Marshall's salary is not disclosed, but is thought likely to be more than £70,000.

Mr Watts will remain deputy chairman but in conjunction with Sir John will be responsible for principal matters such as aircraft equipment procurement, airports policy, employment policy, the airline's corporate image, and organisational and privatisation matters.

Mr Watts will also remain on the International Air Transport Association's executive committee and continue as this year's chairman of the Association of European Airlines.

Mr Marshall will take over all the day-to-day executive duties of running the airline, hitherto borne by Mr Watts. This includes responsibility for all the airline's worldwide operations.

By splitting the tasks borne by Mr Watts, the chairman clearly is aiming for tighter day-to-day control of operations with the long-term view of restoring and maintaining profitability.

A first main task for Mr Marshall will be to oversee the introduction into service of the £400m fleet of 17 Boeing 757 twin-engined airliners. The first of these is due for delivery at about the end of this month and to start passenger service early next month.

Mr Marshall is not expected to join the airline's board immediately but is likely to eventually. His past business career was in shipping, then car rental, before he joined Sears Holdings.

He went to Orient Steam Navigation in 1951 as a cadet purser but left in 1958 to joint Hertz, the car-rental company. He ran its Mexican operation in 1959-61. In 1961-64 he ran the Hertz UK operation. In 1964 he joined Avis, with responsibility for Europe.

He became executive vice-president and chief executive officer at Avis's world headquarters in New York in 1971, president of Avis in 1975 and also chief executive in 1976. He left Avis in 1981 to join Sears as a director and deputy chief executive.

Mr Marshall said yesterday he looked forward to the challenge of his new post and to meeting the airline's employees as soon as possible. His immediate objectives would be to ensure that progress made towards profitability was maintained and accelerated.

The Boeing 757 twin-engined jet aircraft has been awarded its British Airworthiness Certificate by the Civil Aviation Authority, clearing the way for deliveries to British Airways from the end of the month.

The U.S. Airworthiness Certificate for the 757, powered by the Rolls-Royce RB-211-535C engine, was granted just before Christmas. Two of the aircraft have already been delivered to Eastern Airlines of the U.S. and are in passenger service.

Eastern is buying 27 of the jets and British Airways 17. A total of 123 has been ordered by eight airlines.

Colin Marshall

Opposition parties go on economic offensive

BY PETER RIDDELL, POLITICAL EDITOR

OPPOSITION parties yesterday went on the offensive against the Government over the recent sharp fall in the pound and the rise in interest rates.

Labour and Social Democratic Party Liberal Alliance leaders believe the Government is now vulnerable in the areas of sterling and the inflation rate which had been its strong points. Politicians of all parties will be watching the next opinion polls closely to see whether recent events have undermined the Tories' standing.

Mrs Margaret Thatcher is expected to counter election rumours and to defend the Government's economic record during a speech to Conservative trade unionists in Bristol today and in an hour-long television interview tomorrow.

Mr Michael Foot, Labour leader, claimed that the last week had been a turning point since international financiers finally had seen through the follies and fallacies of Thatcherism." Mr Foot told his local party in Ebbw Vale, South Wales, that the Tories had been "holding inflation down artificially by keeping the pound at unrealistic levels. The one jewel in their crown is looking a little smudged. Maybe it is a fake."

With the main bastion of exchange controls gone the Government was "desperately trying to stave off the inevitable return to inflation by taking the counterproductive stand of pushing up interest rates and throwing away our vital foreign currency reserves."

The Government's policies were "perverse, destructive and bankrupt. What we are witnessing now is the fulfilment of what Labour and trades unions have prophesied for three years. Now is the time for us to move to the offensive."

Similarly, Mr Gerald Kaufman, Shadow Environment Secretary, attacked Mrs Thatcher as "the pocket Boadicea." Her "vain glorious posturings attempted to squeeze every possible drop of party political advantage from the heroism and sacrifice of our servicemen and the Falkland islanders themselves. Her Falklands motto appeared to be: "Lights, camera, action!"

Mr Jack Straw, a Labour economics spokesman, argued that the first large fall in the pound in November had occurred two weeks before publication of Labour's economic proposals, including the assumption of a big devaluation, and that falls in the pound then and more recently were because of the deterioration in Britain's economic and external trade prospects.

Mr Roy Jenkins, SDP leader, said: "The Prime Minister is now aware that the central economic claim of her Government that it has restored financial stability and brought down inflation is being shown to be nonsense and that the electorate is beginning to realise this."

The slide in the pound had revealed that inflation had not been conquered. By this summer it would be clear that the inflation rate was rising again.

Lear Fan delays start on aircraft

By Alan Watson in Belfast

ning to make a carbon fibre body executive aircraft in Northern Ireland, has been forced to delay the start of production for several months and will put half its 550 labour force on short-time working.

The company's announcement yesterday has rekindled concern, particularly in the trade unions, about Lear Fan's prospects of employing 2,800 people as planned.

In September the Government injected a further £176m to help refinance the business along with a Saudi Arabian consortium which contributed £35m. The taxpayers' commitment to the venture amounts to more than £51m in return for a 5 per cent stake in the U.S. parent company.

Lear Fan said a review of its programme had been carried out to ensure that adequate funding was available to meet the priorities. Its primary objective was to secure Federal Aviation Authority certification for the aircraft, expected in September.

It said the start of production would be delayed until the midodle of this year. A substantial reduction in manufacturing functions was needed at the Belfast plant and it hoped to achieve this by introducing varying degrees of short-time working for about half the employees.

SDP attacked over 'cheap drug' policy

BY GARETH GRIFFITHS AND CARLA RAPOPORT

A HEALTH policy statement from the Social Democratic Party has been criticised by the British pharmaceutical industry because it recommends that retail pharmacists should dispense generic drugs instead of branded durgs.

This change, the SDP claims, would cut £30m to £50m from National Health Service costs.

The Office of Health Economics, a research organisation funded by drug companies, yesterday called the SDP's proposals a "menace to the well being of Britain."

Mr George Teeling Smith, OHE's director, told a meeting of pharmaceutical marketing executives yesterday that the SDP's position was based on a "cheap drug" policy which purported to save money for the NHS. He said generic substitution would lead to the substitution of medicines produced in Britain with those from "cheap-jack overseas manufacturers."

"These cheap foreign imports would take research funds away from British manufacturers," Mr Teeling-Smith said.

Mr Mike Thomas, the SDP's health spokesman, described the industry's response as "hysterical." He said the SDP supported financial incentives for drug companies to develop and sell more generic drugs.

The SDP policy statement also suggests progressive reduction in the proportion of income that drug companies are allowed to spend on marketing and advertising, and a strengthening of the committee on safety of medicines, which it says is inadequate.

Tatchell pleads for 'a chance'

MR PETER TATCHELL, Labour's parliamentary candidate for Bermondsey, yesterday made an impassioned plea to voters: "For heaven's sake, give me a chance."

Mr Tatchell, now confirmed to fight Bermondsey in the forthcoming by-election, insisted that the press was conducting a witch-hunt against him.

Interviewed on LBC, the London commercial radio station, he said people had "read something, often untrue, in the newspapers."

Commodities market a jungle, says judge

AN OLD BAILEY judge has called on parliament to examine the workings of the London Commodities Market which he described as a "jungle."

Mr Justice Rodney Bax said: "The dangers to the small investor, even in the absence of any fraud at all, are frightening."

He directed the jury to acquit Baronet Sir Bruce Tuck and four other men of conspiracy to defraud in the dealings of the commodities firm Miller-Carnegie, incorporated in the Bahamas.

The judge ended half-way through what was expected to have been a six-month trial, following lengthy legal argument in the absence of the jury.

The prosecution had alleged that Miller-Carnegie, operating from University House, Belgravia, had charged "enormous" hidden premiums to small investors.

However, the judge said there had been irregularities in the running of Miller-Carnegie which rightly incurred the attention of the Department of Trade, "but these irregularities have no relevance to the charges laid in this case."

Miller-Carnegie "touted" for small investors, said the judge, but its brochures drew attention to the risks involved on the commodity market.

Mr Justice Bax said: "The trouble is that the world of commodity dealing is a jungle, suitable for hunting for large and experienced animals but one in which the small animal is at very serious risk, even though with a degree of luck he might survive.

"The dangers to the small investor, even in the absence of any fraud at all, are frightening.

The jury returned formal not guilty verdicts in each case.

Pound fall adds £1bn to oil tax revenue, say brokers

BY RAY DAFTER, ENERGY EDITOR

STERLING'S DECLINE against the dollar is expected to boost North Sea oil and gas tax about £1bn in the current financial year, according to stockbrokers Scott, Goff, Hancock and Company.

It says the Government seems set to receive at least £8bn in revenue in 1982-83 against the £7bn forecast by the Treasury last autumn.

The increase arises largely because North Sea oil is priced in dollars, not sterling.

Scott, Goff, Hancock calculates that each 10 cent movement in the exchange rate has the same effect as a $2-a-barrel change in the crude oil rise.

Consequently, even if the dollar price of North Sea crude fell $2.50 a barrel to $31, the sterling price would be the same as in August.

Similarly, it is estimated that each 10 cent movement in the exchange rate has an effect of between £700m and £1bn a year on the Government's oil and gas revenue.

Assuming an exchange rate of $1.60 to the pound, the brokers forecast that revenues will rise to £10.4bn in 1983—and £11.6bn in 1984-85, against the Government's tax take of £6.4bn in the last financial year.

If the exchange rate fell to $1.40 to the pound, revenues might be as much as £12.3bn in 1983-84 and £13.7bn in 1984-85. An exchange rate of $1.80 to the pound would give the Government £9bn worth of taxation in 1983-84 and £9.9bn in 1984-85.

These forecasts are based on the assumption that North Sea crude prices will be held constant until the end of next year —the calendar year 1984—and then rise at the rate of 7.5 per cent annually.

However, there is a good chance that prices can fall in the near future.

Buyers of North Sea oil complain that the crude is too expensive set against prices for refined products. They are aware that Gulf States are under pressure.

Consequently British National Oil Corporation, the leading trader of North Sea crudes, has agreed with a number of companies to review prices in the next few weeks.

Courtaulds to pull out of cheap hosiery market

BY JAMES McDONALD

COURTAULDS, the textile giant, has decided to pull out of the cheap end of the women's hosiery market under pressure from low-cost imports of foreign tights, mainly from Italy.

The company is to close its hosiery factory at Baldock, Herts, within the next three months, with the loss of 305 jobs. A limited number of workers will be offered jobs in the Midlands.

The Baldock factory is the original Kayser Bondor hosiery plant. For some time, as part of the Courtaulds hosiery group, it has been producing unbranded tights for the lower end of the market, mainly for supermarket outlets. A Courtaulds' official described them last night as aimed at "the basic tights market."

He said the decision to close the Baldock factory came at the end of a long fight against cheap imports of foreign tights. The main import penetration of the lower end of Britain's tights market was from Italy, he said.

"Italian basic tights imports coming into this country at 50p per dozen cheaper than the cost at which we can produce the same quality."

Courtaulds has no other hosiery plant producing down-market tights. With the closure of Baldock it will relinquish many supermarket, newsagents' and confectioners' shop outlets to imported hosiery.

The three remaining women's hosiery plants in the Courtaulds hosiery group are near Derby and Nottingham and in Leeds. All three produce branded hosiery and tights under the Kayser and Aristoc names. Courtaulds will concentrate in future on this up-market sector of the trade.

Timex assures safety of 2,300 Dundee jobs

BY MARK MEREDITH

TIMEX yesterday assured the 2,300 employees remaining at its works in Dundee that their jobs were safe.

Earlier this week the U.S. company announced 1,900 redundancies and the end of most mechanical watchmaking production at Dundee.

Mr George Younger, the Secretary of State for Scotland, yesterday met management and trade unions to discuss the cuts which will take unemployment in the Dundee area to nearly 17 per cent.

Mr Younger later said he expressed his concern that subcontracting customers of Timex needed assuring that work would go ahead without interruption.

Timex will now be oriented towards specialist subcontract work which previously supplemented watch production. Only watch repairs, a limited watch assembly operation, some parts production and packaging operations remain.

The workforce assembles Sinclair personal computers as well as components for IBM. Mr Clive Sinclair warned last week that he would take his contract elsewhere if his work was disrupted.

Discussions are to continue on Monday between management and unions on the redundancies which the unions refuse to accept.

After yesterday's meeting the unions said that Mr Younger had expressed concern for the remaining 2,300 jobs but not the 1,900 people being laid off.

Mr Graham Hay, head of human resources at the Dundee plant, said after meeting Mr Younger that the union had been given no deadline for accepting the restructuring plan but it was imperative the talks be brought to a speedy resolution.

Civil plutonium not used for arms, Sizewell inquiry told

BY A SPECIAL CORRESPONDENT

PLUTONIUM produced in Central Electricity Generating Board reactors had never been applied to weapons use in the UK or elsewhere, the Sizewell B public inquiry was told yesterday. It was government and board policy that this situation would continue, said Mr John Baker, the board's chief witness.

He said plutonium made as a byproduct in thermal reactors was particularly suitable for fast-breeder reactors and it was board policy to store the material for possible use.

The Government had entered voluntarity safeguard arrangements which underlined the intention that plutonium from board reactors would not be diverted for weapon purposes.

Mr Baker said the UK was a signatory to the non-proliferation treaty. Because of this and membership of the European Economic Community, nuclear power stations and their operational records were subject to inspection by the International Atomic Energy Authority and Euratom, the EEC equivalent. Any civil plutonium which might be exported would be subject to similar safeguards.

While Sizewell B could be delayed for a few years on strict grounds of capacity, the board had concluded that the advantage and risk came down decisively for proceeding with early construction.

At the start of yesterday's inquiry session, at Snape Maltings, Suffolk, Mr Baker said that a proposed nine-month delay in starting construction of the station, should consent be given, would raise the project's cost by about £50m.

The delay, to April 1985 instead of July 1984, was because of extra work resulting from a safety assessment by the Nuclear Installations Inspectorate and the need to complete a large part of engineering design work before starting permanent work.

Mr Roy Matthews, the board's health and safety director, told the inquiry there was a remote risk an accident might occur which could expose the public to radiation.

Although it was impossible to guarantee that any complex, engineered system would operate free from faults throughout its life, it was possible to guard against unacceptable safety hazards.

Many of the world's pressurised water reactors were known to cause higher radiation doses to operational staff than UK gas-cooled reactors.

The board was confident, however, that Sizewell B's operation would not produce individual doses greater than those involved with its gas-cooled reactors over the past 20 years.

Kuwait bank joins list of deposit takers

By Alan Friedman

THE National Bank of Kuwait SAK has been added to the Bank of England's latest list of licensed deposit takers.

The new list, a monthly compilation required by the Banking Act 1979, confirms that Bank Brussels Lambert (UK) Ltd., a recognised bank, is reorganising its London operations and replacing its London merchant bank with a branch, Banque Bruxelles Lambert S.A.

Among the deletions mentioned this month are two from the recognised bank category, Commercial Banking Company of Sydney and Gillett Brothers Discount Company. Both changes are related to mergers.

The latter bank has merged with Jessel Toynbee to create Jessel, Toynbee & Gillett Plc.

The Commercial Banking Company of Sydney has merged with the National Bank of Australasia, forming the National Commercial Banking Corporation of Australia Ltd.

Nowet (Financiers) Ltd is deleted from the list of licensed deposit takers.

Thatcher completes ministerial reshuffle

THE Government yesterday completed the last piece of its ministerial reshuffle with the appointment of Mr John Major as an assistant whip.

Mr Major, Conservative MP for Huntingdonshire and previously an executive with Standard Chartered Bank, was widely regarded as one of the most likely backbenchers to be promoted. He has earned a reputation as a hard-working member in the centre of the party.

Mr Donald Thompson, at present an assistant whip, has been promoted to senior whip, in place of Mr John Selwyn Gummer, who was last week made a junior Employment Minister.

Banks likely to win debt war concession

THE Inland Revenue is expected to agree to a request by the British Bankers Association that UK banks be permitted to make specific bad and doubtful debt provisions against sovereign risk loans, thereby making them tax deductible.

Sovereign risks are those incurred in lending to foreign governments.

Although confirmation is still awaited, it is understood the Revenue will write to the BBA shortly.

The effect of such a move by the Revenue would allow UK banks, facing record bad debt provisions, to pay less tax.

BP buys further share in vessel

BRITISH PETROLEUM has bought from Britoil its 25 per cent share in Iolair, the £63m North Sea emergency support vessel built by Scott Lithgow on the Clyde.

BP now owns 100 per cent of Iolair, which BP said would allow it to make the vessel available all year for accommodation and maintenance operations in the Forties field.

Murillo exhibition at Royal Academy

THE MOST comprehensive exhibition of the work of the 17th century Spanish artist Murillo opens to the public at the Royal Academy today, 77 paintings and 25 drawings from collections throughout the world.

The London exhibition is sponsored by BAT Industries, which is guaranteeing £77,000 against loss on the enterprise.

The exhibition was first shown in the Prado Museum, Madrid, in the autumn, where it received an enthusiastic reception. The aim is to restore the reputation of one of the great masters who has suffered from imitations by inferior painters of later centuries.

Porsche 1982 sales reach record 2,700

PORSCHE had record UK sales for the sixth year in a row in 1982. They rose from 2,383 to 2,700 compared with 1981, a 13.3 per cent increase in a period when the car market overall increased by 4.7 per cent to 1.55m.

About two-thirds of sales were of the 924 and 944 models, the latter introduced in mid-year.

ICI to modernise paint laboratory

IMPERIAL Chemical Industries' paints division is to spend £250,000 modernising its industrial paint laboratory and technical service centre at Slough. Product testing and short-term research facilities will be improved to help solve problems with paints which go on wood or other non-metallic surfaces.

New Lloyd's council to consider renewing Posgate suspension

BY JOHN MOORE, CITY CORRESPONDENT

THE NEW self-regulatory powers of Lloyd's of London, the insurance market, will be tested for the first time on Monday when the 27-member council of Lloyd's meets to consider whether it should again suspend Mr Ian Posgate from all underwriting at Lloyd's.

If Lloyd's attempts to suspend Mr Posgate, there are fears by some in the market of fresh legal action.

Lloyd's council will be considering a High Court judgment last Wednesday which said Lloyd's "acted outside its powers in suspending Mr Posgate" last September.

The suspension decision was taken by the committee of Lloyd's, then the ultimate ruling body of the market. But legislation promoted by Lloyd's, which has just come into force, has created a Lloyd's ruling council, made up of the 16 members of the Lloyd's committee, eight external members of the market, and three outsiders.

The council is protected by a controversial immunity clause which protects it from damages suits by its members. But it does not protect Lloyd's from its members taking action against the society in the courts for a judicial review or injunction.

Moreover, the members can still pursue suits for damages actions against the council providing they can demonstrate the council acted in bad faith.

Mr Posgate is thought to be preparing his submissions for presentation before the Lloyd's council in an effort to return to work in the Lloyd's market. His own underwriting agency company, Posgate & Denby, is prepared to reappoint him as an underwriter providing it receives the approval of the Lloyd's authorities.

Lloyd's committee is seeking to uphold its earlier decision to suspend Mr Posgate in such a way that his underwriting agency is not also suspended and the syndicate forced to stop trading.

Mr Posgate's suspension by the Lloyd's committee followed allegations by Alexander & Alexander Services, the U.S. owner of Alexander Howden Group, where Mr Posgate worked, that he was involved in a series of financial irregularities with four other Howden directors.

Mr Posgate is still pursuing legal action against Alexander Howden for wrongful dismissal.

● Mr William Allen, liquidator of the Kenilworth Insurance Company in the U.S., will visit London next week for talks with officials at Lloyd's. Mr Allen, who has alleged that he received little co-operation from the Lloyd's authorities, will be discussing aspects of the Kenilworth collapse.

Technical training scheme draws 64 local councils

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

APPLICATIONS TO participate in the Government's technical education initiative have been received from 64 local education authorities.

The scheme will be run through the Manpower Services Commission rather than the Education and Science Department. It is intended to improve technical and vocational provision for 14- to 18-year-olds.

Arrangements have been made to fund 10 pilot projects initially. Some will start in September.

An MSC steering group to oversee the scheme was set up this week. It will produce detailed criteria for projects by the end of the month.

It will then select schemes from the many interested authorities, though not all the *64 authorities which have* made initial approaches to the commission are likely to submit formal schemes.

Labour Party representatives have voiced concern that the technical training initiative may lead to a return to forms of selection in secondary education which will threaten the comprehensive system. The 64 authorities which have expressed interest in participating, however, include some that are Labour-controlled.

Commission officials will be anxious to reassure education authorities, some of which expressed doubts about the proposals, that the precise nature of schemes and content of the curriculum will remain under local authority control.

The composition of the commission's steering group will probably help reassure Labour authorities and trade unions about the scheme. Its members include Mr Roy Jackson, head of the TUC education department, *Mr Fred Jarvis, general* secretary of the National Union of Teachers, and Mr Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs.

Tractor sales rise 25%

BY IAN RODGER

TRACTOR registrations rose 25.7 per cent last year to 26,118 although this was below the 1976 peak of just under 38,000 units.

The Agricultural Engineers Association, which compiles agricultural equipment statistics, said the recovery from exceptionally low registration levels in 1980 and 1981 was due to an improvement in farm incomes. This resulted from good weather, lower input costs, reduced interest rates and satisfactory price arrangements under the EEC Common Agricultural Policy (CAP).

Also tractor manufacturers, some of which are in financial difficulty, have been marketing aggressively.

The machine type showing the most progress last year was the big baler. Sales almost doubled to 1,700 units in response to growing interest in bagged silage.

The AEA expects strong sales of agricultural machinery this spring but is less certain about the outlook for the rest of the year. CAP price agreements for 1983-84 are unlikely to be as generous as last year's, for example.

Crouch ex-chief defeated

BY CHARLES BATCHELOR

CROUCH GROUP'S former chairman, Mr Ronald Clempson, was defeated overwhelmingly yesterday when he tried to re*tain his seat on the board of the* property development and construction company.

Shareholders backed a resolution calling for his removal by 17 votes to two on a show of hands at an extraordinary general meeting at the group's Kingston-upon-Thames, London, headquarters.

A count of the proxy votes and the shares voted at the meeting showed that holders of 2.13m shares—86.5 per cent of the votes cast—supported his sacking. Only 330,350 shares, 13.5 per cent of the votes cast, had opposed it.

Of the votes against all but 5,550 were cast by Mr Clempson who, with 8 per cent of the equity, is still the largest individual shareholder.

Mr Clempson was ousted from the chairmanship in the middle of last month by his fellow directors after the announcement of the company's first loss since it went public in 1969. The group made a surprise provision of £1.4m to cover potential losses on development projects.

Council pressure alleged

BY NICK GARNETT, NORTHERN CORRESPONDENT

A CONFECTIONERY company, set up in Hartlepool last year with the help of a £50,000 loan from Cleveland County Council, accused the council yesterday of attempting to cajole it into recognising the Transport and General Workers' Union.

CDL Forty Four Foods, which began operations in April and employs 120, said it had repaid the loan early, with £7,000 interest, although this would slow the company's expansion.

It did so because "gross interference" by some members of the Labour-controlled council in the company's internal affairs was "unacceptable and costly."

The council denied the accusation.

It said yesterday: "A letter was sent to the firm as a result of a union contacting council members. The letter passed on the union request that a ballot be held among the firm's employees on the subject of union membership."

The company was set up by Mr Chris Liveras, managing director, with the council loan, one of £70,000 from BSC (Industry), a £75,000 bank loan, assistance from Hartlepool Borough Council and the provision of a factory from English Industrial Estates.

Mr Liveras said the company has had confectionery sales of £1.25m with the £75,000 trading profit in eight months.

UK NEWS—LABOUR

National water strike nearer

By Our Labour Staff

UNIONS representing 29,000 manual workers in the water industry seem increasingly likely to set a date for a national strike when they meet on Monday. No peace initiative had emerged by last night, and none was planned for the weekend.

Mr Eddie Newall, national industrial officer of the General, Municipal and Boilermakers' Union, said he believed that the employers—who have offered a 4 per cent pay rise—had had their hands tied by the Government, which was trying to keep public sector pay deals within a 4.5 per cent limit.

"I have been negotiating in this industry for five years and I have always accepted that there is interest shown by Government in public sector bargaining, but I have never known such interference," he said.

Water workers have voted 4—1 in favour of strike action in pursuit of their claim for rises of about 15 per cent to bring them into line with the top 25 per cent of male manual earnings.

NGA backs off on NUJ talks

THE National Graphical Association—the main craft print union—yesterday formally broke off from 18 months of amalgamation talks with the National Union of Journalists.

The move follows the refusal of the NUJ to accept an NGA demand for a ballot of journalists on the merger terms agreed so far. The NUJ working party on the amalgamation believes insufficient progress has been made on questions of union democracy for a vote to be held.

Kent pit action now unlikely

THE POSSIBILITY of industrial action by the 3,000 Kent miners over the partial closure of Snowdown Colliery now looks extremely remote, writes David Goodhart.

This follows reports from National Coal Board sources that miners at Snowdown voted 269 to 213 yesterday to accept the latest board compromise on the pit's future.

Battle ahead over Sealink Harwich service

BY BRIAN GROOM, LABOUR STAFF

A BATTLE over the future of Sealink UK's passenger ferry service from Harwich to the Hook of Holland loomed last night when the company said it would start talks with its Dutch partner on Monday on withdrawal from the route.

This follows the failure of Sealink's tactic of balloting Harwich seamen on cost savings directly, over the head of the National Union of Seamen. The NUS, after a mass meeting last week, called on members to boycott the ballot.

The company said yesterday that 453 voting papers were issued, and 174 returned. Of these, 158 votes were in favour of Sealink's proposed new manning conditions, and 16 were against.

To end its losses on the route, Sealink put forward a package which involved 130 redundancies among ratings, voluntary in time off for those who remained. time off for those who remained.

These conditions would take effect when a new, larger ferry replaced the St Edmund and St George ferries, in June on the route.

Sealink said that while the ballot result represented an overwhelming acceptance by those who voted, 279 papers had not been returned. The company said this did not give it the mandate to charter the large vessel.

Sealink UK's chairman and managing directors will meet the Dutch partners Zeeland Steamship to discuss Sealink UK's withdrawal.

Mr Terry Larkin, of the NUS port committee, said: "We will now talk to our friends in the rest of the country to get their reaction and their support. We will fight the closure."

He said the ballot result represented an overwhelming rejection of the company's proposals. The door was open for negotiation, however.

Lorry drivers accept 4%

BY BRIAN GROOM

THE FIRST settlement in this year's pay round for lorry drivers in the hire-and-reward secto of road haulage is about to be reached in the Western area, covering Avon, Somerset, Gloucestershire and Wiltshire.

Union officials have told the Road Haulage Association by telephone that they will accept a 4 per cent offer, after consulting members. Confirmation in writing will follow.

National officials of the association hope this will tip the balance towards acceptance in the rest of the industry's 21 regional negotiations. However, the Western offer is the highest in the country—the range is from nothing to 4 per cent—and the union side in other areas may hold out for higher increases.

Ford scheme rejected

BY OUR LABOUR STAFF

UNION LEADERS of Ford's 49,000 manual workers yesterday rejected management proposals to cushion hardship when the company's lay-off pay fund runs out, probably between the end of this month and the start of the next financial year in April.

Ford offered to top up the fund by borrowing extra money from next year's account. However, workers laid off in this interim period would not receive payment for the first two days of lay-off in any one week.

Those in plants receiving 50 per cent of normal pay under the government short-time working compensation scheme would not have it topped up to the company's customary 80 per cent.

Ford's lay-off fund has been drained by short-time working in its engineering and component, commercial vehicle and tractor plants. More talks are planned for February 4.

Thatcher meets the Tory trade unionists

By Philip Bassett, Labour Correspondent

WHEN the Prime Minister today addresses the annual conference of the Conservative Trade Unionists, she will see before her an organisation whose remarkable revival since the mid-1970s reflects the increasing proportion of trade unionists voting Conservative.

In May 1979, when Mrs Thatcher swept to power, at least a third of Britain's then 13.2m trade unionists voted for her. Their leaders are often decried by Mrs Thatcher and her ministers but party strategists, considering the prospects for an election, know the value of the union members' vote.

The presence of Mrs Thatcher, Mr Cecil Parkinson, the party chairman, and Mr Norman Tebbit, Employment Secretary, at today's conference in Bristol reflects the importance placed on it.

Poll results show that in the past 20 years, trade union support for the Labour party has slowly, but steadily, declined. In 1964, 73 per cent of trade unionists voted Labour but by 1979 this had fallen to 51 per cent. The latest Mori poll shows that the figure is now as low as 43 per cent.

In contrast, the proportion voting Conservative has grown from 22 per cent in 1964 to 33 per cent in 1979.

Labour and Trades Union Congress leaders acknowledge privately that by-election results such as Birmingham Northfield—where the Labour candidate scraped home by 289 votes—indicate that in the areas where trade unionists swung away from Labour in 1979 support for the Conservatives is still strong.

Senior TUC figures are now starting to think about what happens if Labour loses the forthcoming election. Particularly if the much-vaunted "new consensus" between the Tories and the unions comes to pass, some are thinking of a revaluation of their consistent opposition to the Government.

A trade union department was first set up at Conservative Central Office in 1945. In the 1960s, the organisation became moribund, to the point where in 1974 it had no remaining full-time officials.

Mrs Thatcher's leadership victory changed all that. New officials were brought in, organisation strengthened, and the CTU started to grow. By the election in 1979 there were about 280 separate trade union branches at constituency level. Since then, this has risen still further, to about 365 branches—an increase since the election of 30 per cent.

Branches are concentrated near big industrial areas such as Liverpool, Manchester, south and west Yorkshire, and Glasgow — all traditional Labour heartlands. Full-time regional CTU officers, at present only in Scotland, the North-West and Yorkshire, have built on this to the point where traditional rural Tory areas have almost been ignored. The West Country, for instance, has only four CTU branches.

The unions represented include those to be expected: the National and Local Government Officers' Association, the Banking, Insurance and Finance Union, the civil service unions, and the white-collar unions Apex and especially the Association of Scientific, Technical and Managerial Staffs. It includes members of the Transport and General Workers' Union, the Electrical and Plumbing Trades Union, the train drivers' union Aslef, the post office workers and the miners.

Mr Tebbit takes seriously the views of the CTU. His Green Paper on trade union democracy, published this week, includes as subjects for discussion many of the issues on which the CTU has been campaigning for years. These include contracting in rather than out of paying the political levy to the Labour Party, and ensuring that unions' political expenditure comes from their legally-established political funds, not from general or other funds.

The CTU has already submitted to Mr Tebbit a document containing its preliminary thoughts on union reform.

Seamen talk on

ATTEMPTS BY the National Union of Seamen to end the levy paid to it by UK shipowners using Asian ratings have been blocked by the National Union of Seamen of India, writes Our Labour Staff. The Indian union fears its members will price themselves out of jobs if they receive European rates.

Although direct payment to Indian seamen has been blocked, talks continue on using the cash as a bonus or unemployment benefit, for non-contributory pensions and sickness schemes, and funding union work on behalf of foreign seamen on UK ships.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	%	Others
Abbey National	6.00	6.25	7.50	7.25	1-year high option, 7.25 6 years sixty plus, 6.75 min. £100, 7 days' notice no interest lost
Aid to Thrift	7.00	7.25	—	—	
Alliance	6.00	6.25	7.75	7.25	3 years Money Monthly £1,000 min. Interest paid monthly
Anglia	6.00	6.25	7.50	7.25	3 yrs., 2 mths.' withdrwl. notice
Birmingham and Bridgwater	6.00	6.25	7.75	7.25	Extra Interest Shares
Bradford and Bingley	5.75	6.25	7.25	7.00	1 m. not. or on dem. (int. pen.)
				7.25	High I. a/c 3 m. not. (no pen.)
Britannia	6.00	6.25	7.25	7.25	Option Bond, 7.25 2 mths.' not.
Cardiff	6.00	7.00	7.75	—	
Cardiff	—	*7.50	—	—	* Share a/c bal. £100,000 & over
Catholic	6.00	6.50	7.50	7.50	6 month's deposit, £500 min.
Century (Edinburgh)	6.50	7.00	—	8.50	2-4 years
Chelsea	6.00	6.25	7.50	*7.70	3 yrs., £1,000 min. 90 days not. + int. loss
Cheltenham and Gloucester	6.00	6.25	7.25	—	
Cheltenham and Gloucester	—	7.25	—	—	Gold Account—savings of £1,000 or more. No notice—no penalty
Citizens Regency	6.00	6.50	8.00	7.50	3 yrs. Double Option shs. 7.40
City of London (The)	6.25	6.60	7.50	7.50	Capital City shs. 4 mths.' notice
Coventry Economic	6.00	6.25	7.50	7.75	4 yrs., 7.50 3 yrs., 7.25 3 mths.
Derbyshire	6.00	6.25	7.50	6.75-7.35	(3 months' notice)
Greenwich	6.00	6.50	7.75	7.75	2 yrs., 7.50 28-day pen./notice
Guardian	6.00	6.50	—	8.25	6 mth., 7.75 3 mth., £1,000 min.
Halifax	6.00	6.25	7.25	7.25	Extra Interest Plus, 3 months' wdl. notice or loss of interest
Heart of England	6.00	6.25	7.50	[illegible]	1 mth. not., 7.25 flexi tm. 3 yr.
Hemel Hempstead	6.00	6.25	7.50	7.75	3 yrs., 7.50 3 months
Hendon	6.50	7.25	—	8.00	6 months, 7.75 3 months
Lambeth	6.00	6.50	7.75	8.00	6 mths., 7.75 28 days, 7.25 3 m.
Leamington Spa	6.10	6.35	6.60	—	
Leeds and Holbeck	6.00	6.25	8.00	8.25	5 yrs., 7.25 1 month int. pen.
Leeds Permanent	6.00	6.25	7.25	7.25	3 yrs., E.I. a/c £500 min. †7.00
Leicester	6.00	6.25	7.25	7.25	3 yrs., 7.25 3 months
London Grosvenor	6.00	6.60	8.50	7.10	3 mths.' notice 1 mth. int. pen.
London Permanent	6.00	6.75	—	7.50	1 mth. not. or on dem. (int. pen.)
Midshires	6.00	6.25	7.50	7.25	1 year, 3 months' notice no pen.
Mornington	6.80	7.30	—	—	
National Counties	6.25	6.55	7.55	8.25	6 mths.' min. deposit £500
				7.50	1 mth. min. deposit £500
National and Provincial	6.00	6.25	7.25	7.25	3 years, 7.00 1 month
Nationwide	6.00	6.25	7.25	7.25	3 yrs., £500 min. imm. wdl. with penalty. Bonus a/c 7.00 £500 min. imm. wdl. with penalty
Newcastle	6.00	6.25	7.50	7.75	4 yrs., 7.25 28 days' notice, or on demand 28 days' int. penalty
New Cross	6.75	7.00	—	7.00-8.00	on share accs., depending on min. balance over 6 months
Northern Rock	6.00	6.25	7.25	7.25	High Interest share. 7.25 3 yrs.
Norwich	6.00	6.25	7.50	7.25	3 yrs., 7.00 2 yrs.
Paddington	5.75	6.75	8.25	7.25	7 days' notice
Peckham	6.75	7.00	—	7.50	2 y., 8.00 3 y., 8.50 4 y., 7.25 Bns.
Portsmouth	6.35	6.55	8.05	8.40	5 yrs., 8.00 6 mths., 7.50 1 mth.
Property Owners	6.25	6.75	8.25	8.25	4 yrs., 8.25 6 mth., 7.75 3 mth.
Scarborough	6.00	6.25	7.50	7.25	Retirement Bonds (2nd issue), 7.25 Money Care + free life ins.
Skipton	6.00	6.25	7.50	7.00-7.15	(1 mth.) 7.25 3 yrs.
Sussex Mutual	6.25	6.50	8.00	6.75-8.00	
Town and Country	6.00	6.25	7.50	7.50	3 yrs., 60 days' wdl. notice
				7.50	imm. wdl. 28 days' interest loss
Wessex	6.25	7.30	—	—	
Woolwich	6.00	6.25	7.25	7.25	90 days (int. loss), 7.00 immed. wdl. 28 days' interest loss
Yorkshire formerly Huddersfield & Bradford and West Yorkshire	6.00	6.25	7.25	7.25	5 Star Bond min. £500, 2 mths.' not. with pen., 7.25 Golden key imm. wdl. 28 days' pen. interest

All these rates are after basic rate tax liability has been settled on behalf of the investor.

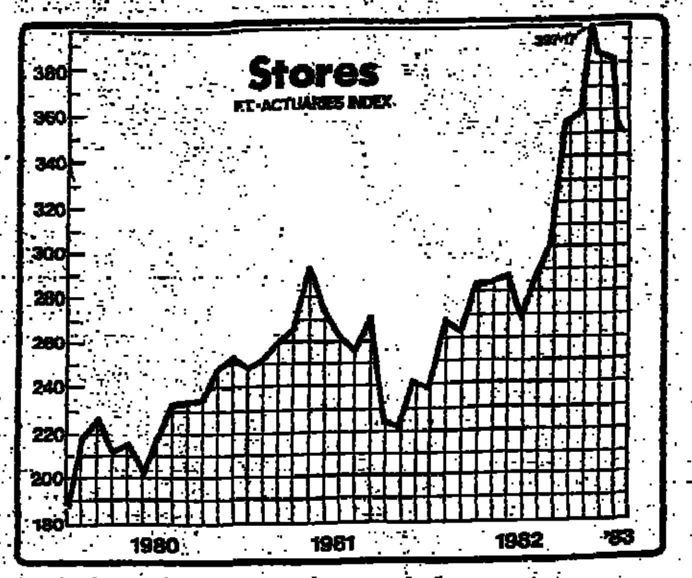
This table is published each Saturday. Societies wishing to be included should ring 01-248 8000 Ext. 4063 for further details.

THE WEEK IN THE MARKETS

Retreat as sterling weakens

LONDON

ONLOOKER



CURRENCY dealers went home last weekend puzzled by the weakness of sterling. This week the City faced an even greater conundrum as the pound plunged to $1.561, close to its lowest ever value against the dollar.

A surprise trip to the Falklands by the Prime Minister Mrs Margaret Thatcher, was suggested by some to have led to speculation that a General Election was imminent, which might return a Labour Government set on a sharp devaluation of the pound.

This view won sizeable support. But there were other possibilities such as oil Price uncertainty, the fall in domestic UK interest which lasted until last November was thought by some to have gone too far too fast.

The Bank of England, which had previously provided very substantial support to sterling given the signal for higher interest rates, stayed very much in the background this week. Though the Bank was apparently unhappy at the severity of the setback it was left to the banks themselves to react to the changing circumstances.

Barclays were the first to act with a 1 per cent lift in base rate back to 11 per cent. The other banks quickly followed suit and the City was presented with the unusual picture of domestic rates rising while U.S. prime rates fell, also reaching 11 per cent.

The stock market was bewildered by it all. Both Government securities and equities took a battering. By midweek the FT Industrial share index was dipping below the 600 mark and amid the turmoil international investors were shifting from money into precious metals and base metals. South African Golds continued their recent rapid rise sending the FT Gold Mines index soaring to a new record of 654

By yesterday, however, the Government's reassurances were putting the market in a much brighter mood. The FT Index was heading upwards again and finished the week at 614.2, down 6.8, and gilts were firmer.

Sterling was up around $1.5830 and its trade weighted index was up from a midweek level of 80.6 to .

Price cut stores

The January "sales" were in full swing this week—everything had to go. Back in the City the institutions were looking at their portfolios of retail shares with much the same notion in mind.

The retail sector's rating had been bubbling upwards relative to the market since the last quarter of 1981 and prices were riding way above their normal relationship to other sectors of the market. In vulnerable territory like that it did not take much selling to produce a full-scale retreat.

This week saw the institutions shovelling stock out of the door as quickly as they could. The FT-Actuaries stores index has fallen a tenth in five trading days against a slip of 2½ per cent for the All Share. The leaders and high flying shares suffered the most, and companies like Sears with a good two-way market were down by well over the sector average—a harsh judgment even with thoughts on a bid for Empire Stores to the fore.

So what on earth happened this week to cause such a reaction? A free fall in sterling and another upward blip in interest rates concentrated the mind—near panic followed. And not surprisingly, for the basic trading background is really not good enough to sustain the market prices of a week ago.

True, there has been a steady improvement in retail sales, but outside of electricals and some furniture stores the movement has not been great and costs show few signs of abating. Christmas was reasonable, yet no better than had been anticipated, while some of the comments at the time were plainly too euphoric.

Much of the increased spending seems to have been based on improved consumer confidence and credit purchases. Rising interest rates might easily swing sentiment the other way, while a weaker pound could put strain on real incomes.

These would hardly add up to boom conditions for stores and there could be worse to come. The fall in sterling will give a boost—if a rather artificial one from currency translation—to many segments of British industry, but not to retailing profits. So areas that had looked unattractive suddenly need a rethink, while the retail sector as a whole cannot match the sort of profits performance that the corporate sector is now looking capable of.

Stock market prices may have lived through their worst week but the Square Mile's analysts are still suggesting that the stores sector will drift lower. Some of the brokers are feeling slightly more sanguine and are talking of selective buying though not many of them are actually rushing across Throgmorton Street to deal.

Redland challenge

Few people expected London Brick's £28.4m bid for fellow brickmaker Ibstock Johnsen to go unchallenged, but the emergence on Thursday of Redland as the rival suitor did surprise the market.

Redland was assumed to be far too busy absorbing the aggregates group Cawoods, which it bought for £138m last year, and the Texas quarry company Boston Industries Corporation, bought for £43m in December.

But the prospect of a combined London Brick/Ibstock Johnsen group cementing 46 per cent of the UK brick market proved too much for Redland. Its directors sharpened their pencils and spent a busy Christmas doing their sums.

The result was a £34.7m share offer, with a cash alternative underwritten by merchant bankers Baring Brothers. This would create a group with 11 per cent of the brick market.

Redland argues that the two companies complement each other both in the UK and overseas. Redland has its factories in the South-East while Ibstock is biased towards the Midlands and the North-West.

Abroad, Redland recently went into the Dutch brick-making business with its local partner Bredero while Boston gives it a stronger presence in the U.S. Against this London Brick has only a stake in an Australian company.

London Brick seems likely to return to the fray once the question of whether the deal should be referred to the Monopolies and Mergers Commission has been settled. Lord Cockfield, the Trade Secretary, was expected to rule by next Monday but the Redland offer will probably delay a decision.

Sotheby displaced

After embarking on an ambitious dash for growth in the late 1970s, Sotheby Parke Bernet has been forced into an embarrassing retreat by the collapse in the fine art auctioneering trade. The company's retrenchment over the past year has been severe, with a stream of saleroom closures and disposals, combined with a 30 per cent staff cut to bring numbers down to a little more than 1,400. This has not been enough to stop profits dropping through the floor to £3m pre-tax for the year to August—a far cry from the peak of £8.2m in the heady inflationary environment of 1979.

Sotheby has suffered a particularly sharp reversal in the highly important New York salerooms, where it established a commanding lead in the 1970s. Auction figures for the four months to December show a fall of almost 40 per cent in group sales in New York, and, to make matters worse, it has now been overtaken by Christie's, its arch London rival. Indeed, Christie's seems to be picking up a great deal of Sotheby's business both in the U.S. and UK.

The group's shaky performance is undoubtedly one of the reasons for the recent interest shown in it by General Felt Industries of New York, which has taken a 14.2 per cent stake.

On the trading front, there are signs now that both volume and prices are firming, and it has one very big Impressionist sale planned for the U.S. At the same time, it has brought down borrowings by £2m to £4.3m net, and there is no reason why they should now rise substantially given the reduction in its working capital requirements and the cash generated from the property disposals. Thus, while it still has more staff than Christie's, and probably a higher cost base, it now looks to be moving back on to an even keel.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1982/3 High	1982/3 Low	
F.T. Govt. Secs. Index	78.56	−1.55	85.84	61.89	Weakness in sterling
F.T. Ind. Ord. Index	614.2	−6.8	637.4	518.1	... upturn in interest rates
F.T. Gold Mines Index	634.5	+45.7	654.0	181.2	Currency hedge buying
Allied Colloids	273	−65	341	113½	Board's gloomy statement
Arlen Electrical	162xr	+43	162	18	Rumours of bid from Thorn EMI
Benlox	33	−8	42	12	Chairman faces tax fraud charge
Carless Capel	142	+19	183	112	Horndean drilling prospects
Comet	253	−37	290	102	Consumer spending fears
Ibstock Johnsen	101	+13	115	50	Counter-bid from Redland
Impala Platinum	640	+60	660	185	Firm free market platinum
Jo'burg Cons.	£63	+7	£63	£20	Hldgs. in gold/plat./diamonds
Magnet & Southerns	170	−32	204	88	Interim profits disappoint
Mettoy	23	+8	23	6	Recovery hopes
NatWest Bank	502	+52	502	388	Base rate increase
Northern Goldsmiths	110	+24	110	46	Bid approach
Quest Automation	55	+15	140	20	Proposed cash-raising & reorg.
Racal Electronics	535	−62	617	347	Adverse comment
Stakis	63xr	−9½	74½	63	£8m rights issue
Vickers	106	+13	171	77	Beneficiary from slide in pound
Wilkes (James)	347	+85	347	44½	Investment buying

Nasty reminders

NEW YORK

RICHARD LAMBERT

SHARE PRICES have been churning around in quite heavy trading on Wall Street this week. A strong rally on Monday and a brief surge on Wednesday took the Dow Jones Industrial Average briefly above the 1,100 mark for the first time. But that seemed to provoke some knee-jerk selling, and prices eased back down again.

Although the major banks have at last pulled their prime rates down to 11 per cent, there has been no firm lead from the money and credit markets. Yields on long dated Government bonds remain stuck between around 10¼ and 11 per cent—more or less exactly where they were at the end of November when the Dow stood at roughly 1,000.

Share prices in some of the basic industrial sectors have continued to do quite well. But there have been some nasty reminders about current business conditions, with Armco, Republic Steel and Kaiser Aluminum all forecasting big losses. Peter Marcus, the steel analyst at Paine Webber, thinks that the major steel and aluminium companies will all lose money in 1983 and describes the recent rally in their shares as an excellent selling opportunity.

But there is good news from one major manufacturing company, which appears to be coming back from the dead. Chrysler Corporation, the number three auto maker, has taken advantage of the amazing strength its share price in recent months to propose a recapitalisation to its stockholders, and this week it announced agreement in principle on a scheme to swap over $1bn of preferred stock into equity. That will leave it with someing that looks almost like a balance-sheet, and mark a major step on the road back to financial viability.

The short term trading outlook seems reasonably good, too. Mr Lee Iacocca, Chrysler's hard driving chairman, introduced a snazy new range of models to the Press this week, and forecast that U.S. car sales could rise by around a tenth in 1983. That would represent something like an extra 100,000 vehicles for Chrysler, which is just about breaking even on its current level of business.

However, the share price seems to have got ahead of itself. The company's annual sales rate is roughly $11bn and the market value of the shares at $16 — after allowing for the enormous increase in its equity base involved in the recapitalisation — could be as much as $1.9bn.

Another company involved in a major reorganisation — as keen eyed readers of the Financial Times may have spotted — is American Telephone and Telegraph. The pending break-up of the company is prompting screeds of brokers' circulars, almost all of which conclude that the shares are attractive. Earnings for 1982 are likely to be around $8.35 a share, and some projections for 1983 go as high as $9.35 a share. That looks optimistic.

Another company which has come into favour on the stock market is Burlington Northern, the giant railroad group which this week successfully acquired control of El Paso, a Houston based energy concern. Burlington's shares are now pushing up towards $64, compared with around $56½ when it made its offer a few weeks ago.

Robert Long, an analyst with First Boston, thinks Burlington has got a bargain.

Mr Long thinks that the purchase will add 60 cents a share to Burlington's earnings this year, and that the continuing deregulation of gas prices in the U.S. will provide a further substantial boost over the slightly longer term. In addition, he says that the U.S. railroad business has already started a cyclical recovery. Earnings in 1982 may have fallen from $7 to roughly $4.50 a share, but 1983 could bring a recovery to $7.25 a share, with more gains on the horizon.

MONDAY	1,092.85	+14.28
TUESDAY	1,083.79	−8.56
WEDNESDAY	1,083.61	−0.18
THURSDAY	1,073.95	−9.66

SAVINGS OFFERS

YOUR SAVINGS AND INVESTMENTS—1

William Hall reports on plans at Britain's third biggest building society

New access to the banking system

"WHAT WE'RE trying to do is to give access to the banking system to people who have and not got and do not want bank accounts," says Horace Fielder of the Nationwide building society, the third biggest in the UK, which this week announced plans to issue an Access card to selected customers in conjunction with the Midland Bank.

The new service, which coincided with a similar move by the National and Provincial building society and National Westminster Bank, means that customers of the Nationwide who put an initial £250 into the new "Flex Account" will receive the normal building society interest rate of 6.25 per cent plus the chance to apply for an Access credit card from the Midland.

This can be used to settle third party bills, borrow money and obtain cash advances from Midland's 24-hour cash dispenser networks, which will soon be linked with National Westminster bank's own network.

The Access card will be issued by Midland Bank and be subject to the standard conditions of use, except that Nationwide customers will be able to make payments from their Flex Account direct to Access through any Nationwide branch or agent.

Horace Fielder, in common with many other senior executives in the UK building societies, has been wondering whether he should follow Abbey National's initiative and propose offering a full cheque book service.

Aside from wanting the best interest rate available customers of building societies are becoming increasingly sophisticated and want more choice as to how they manage their liquid funds. At present they have little alternative but to queue up at the building society counter and withdraw cash or ask for a cheque to be made out in favour of someone.

Providing full chequebook facilities is expensive and complicated legally and Nationwide believes this is not the route major building societies should follow. There is a perfectly adequate cheque clearing system available through the banks. Mr Fielder believes that the solution is to make the banking system more freely available to those people who do not have bank accounts.

The provision of an Access card is the first step in this direction. "We believe it is only a matter of time before virtually every major utility bill will be capable of being settled through a credit card. It is going to be so easy for our members to pay all their gas and electricity, water and telephone bills simply by using their Access card even though they do not have a bank account," says Mr Fielder.

The final details have not been completed but Nationwide envisages that a customer paying a utility bill will give his Access number to the gas board for example, and the amount due will appear on the customer's monthly Access statement along with any other bills, purchases or loan repayments. The customer will take the Access statement into a Nationwide branch and decide how much he intends to pay that month by authorising a single transaction from the flex account. This could cover dozens of transactions in a month. Aside from simplifying the process of paying bills it also means the customers do not have to pay bank charges, and given the recent sharp increase in personal bank tariffs this is becoming an increasingly important consideration.

For Midland and Nationwide the attraction of this move is that it reduces labour expensive handling costs such as cheque processing or dispensing cash over the counter. The transaction will be handled by magnetic tape. "We believe it would have a tremendous impact on reducing the overall cost of money transmissions," says Mr Fielder.

Bryan Holmes of the National Provincial Building Society

Bryan Holmes, chief executive of National Provincial, is equally enthusiastic.

"Paperless payments are the way of the future and transmission of money is too expensive for building societies to operate on their own."

His new money management account differs slightly from Nationwide's account. The minimum balance required to open an account is only £1 but the interest rate has not been fixed. It also offers an Access card.

"If you look at the way people deal with the building society now they have to queue up at the counter to get their money out with a passbook. That is hardly likely to remain the way people are going to go about making payments in future" says Alan Douglas, National Provincial's marketing chief.

He estimates that the average family makes payments to over 20 separate financial institutions, buying more than 30 different financial products. In order to maximise efficiency and reduce costs, transactions should be channelled through as few sources as possible. A link with Access is the first step in achieving this aim.

"We want to move into the money transmission system using plastic card technology," said Douglas. "The next step must be that people can settle their account direct with us, if they buy goods in a supermarket by using a debit card," says Bryan Holmes. That is a very big next step but reflects the dramatic changes under way in Britain's building societies today.

Time to be alarmed

THEFT FROM private homes is a major growth industry in the UK, expanding currently at 30 per cent a year. Insurance companies have been forced to increase their premium rates for the high risk areas—the inner city areas—in an attempt to meet the rising costs of paying theft claims.

More people are now installing security devices in their homes in an effort to deter the burglars. But until now, they have been unable to secure any reductions in their insurance premiums for having such alarms fitted. The major UK insurance companies have been consistent in their refusal, even though they add their support to official campaigns for the public to be more security conscious.

The attitude of the insurance companies has been that as far as the high risk home is concerned—houses which contain a considerable amount of valuables—a security alarm is usually a requirement before insurance can be granted. Far from there being any question of a discount, it is only in this way that the risk can be made acceptable. The installation has to be carried out by an approved security firm and checked out by the insurance company's own inspectors. The householder has to accept a warranty regarding maintenance of the system.

Where the average household is concerned, however, the insurance companies have taken the view that the cost of inspection and the checking of the maintenance would more than offset any reduction in the premium. Underwriting for the normal household risk will still be on an aggregate basis, and will ignore such individual features as security systems.

It has taken a household name—Hoover—to make a dent in this rigid attitude.

Hoover, in conjunction with the London-based insurance consultants, Life and General, this week unveiled its own home insurance scheme—the Privilege Home Insurance Plan—underwritten by the Economic Insurance Company, the UK subsidiary of the major French insurance conglomerate Groupe des Assurances Alsacienne.

This plan offers a discount of 12 per cent on Economic's normal household insurance premium—buildings and contents—providing either the Hoover Firecheck or the Hoover Thiefcheck home protection systems are installed. If both are installed the discount is 15 per cent. Even the fitting of the Hoover Smoke Detector gets a 5 per cent cut in premiums.

The Hoover thiefcheck burglar alarm system

Hoover entered the home protection field some 18 months ago, concentrating on the domestic market rather than competing against the established security firms in the commercial and industrial market. Its aim has been to produce DIY security systems that can be fitted by the householder or by any qualified electrician.

The company appears to have judged its market to perfection and has produced some impressive security devices. It is forecasting a 25 per cent growth in home security over the next 12 months and the launch of this plan is part of its major promotional drive.

The plan is marketed by Life and General and through Hoover outlets. Any system installed would be checked out by Hoover inspectors. Economic will be involved in underwriting and claim handling.

Thus it would appear that Economic is making some saving on expenses with this plan and thus can afford to make a premium reduction. The discount is being granted for reasons of reduction in risk. The company will still adhere to the old line as far as its own household policies are concerned and will not offer any reduction for the fitting of security alarms outside this scheme.

Nevertheless, householders should be satisfied that under this scheme they will get a reduction in their insurance premiums for having installed Hoover's security system. The normal premiums charged by Economic are in themselves very competitive for contents, ranging from 75p per cent for the highest London risk areas to 33p per cent for the lowest risk country areas. In addition the plan offers personal accident cover for death or injury from fire or as a result of theft, plus a legal advice service.

Eric Short

Money is looking for a haven

MINING

KENNETH MARSTON

WHEN MONEY talks, markets listen. It can make mistakes, of course, but the collective opinions it represents can still influence the course of events in the financial scene. So wise men listen.

The trouble is that it is not always easy to appreciate what money is saying. Take this week. The price of copper has crossed £1,000 per tonne for the first time in 16 months—it was only £696 in June last year—and yet consumer demand for the metal remains depressed. Even prices of the unwanted nickel have improved.

Nor is there any real pick-up in the important industrial demand for platinum, but the price on the free market has at last caught up with the $475 per ounce "fixed" level charged by the leading producers.

Until this week the free market platinum price had remained below the producer quotation since May, 1981, and in June, 1982, it went as low as $243. South Africa's Rustenburg Platinum Mines has thus now decided to modify its price structure.

The price of gold has touched its highest since May, 1981, this week but, here again, there has been no strong demand. At the same time ther has been little interest in taking profits; refiners Johnson Matthey report no surge in customers wanting to sell "old" gold as was the case during the price boom of 1980.

Understandably enough, the prices of the overseas mining companies which produce these, and other metals, have gone ahead this week often to new highs for 1982-83. But the platinum, copper and nickel producers continue to live with low profits or continuing losses.

So why is money being attracted to metals and shares? The answer lies partly in the bogey of uncertainty which always unnerves money. In this country uncertainty in the shape of the outcome of the eventual General Election and a falling pound has been driving a good deal of money overseas.

There is, however, more to it than that. Money is saying that sooner or later this year the U.S. economy will start to pick up—or be talked up—and in that event the accompanying rise in commodity prices will lead to increased inflation which is another arch enemy of money.

The same inflation thinking applies to the UK which has to import pretty well all its raw materials and, nowadays, pay for them with a pound that has fallen in value against the dollar.

It is thus not difficult to see why some UK money has been moving overseas into metals and the shares of the companies which produce them. If what money is telling us is right, it is not altogether a comforting picture.

Now to the affairs of De Beers, an international "money" stock if ever there was one in the sense that share purchases and sales have long been used as a method of transferring funds from one country to another.

After having cut its "impregnable" 1981 final dividend for the first time in 37 years, shares of the South African diamond giant subsequently fell away to 165p in June 1982 ahead of that half-year's sales figure announced by the group's Central Selling Organisation. At $624m the figure showed an improvement of 17 per cent on the previous six months.

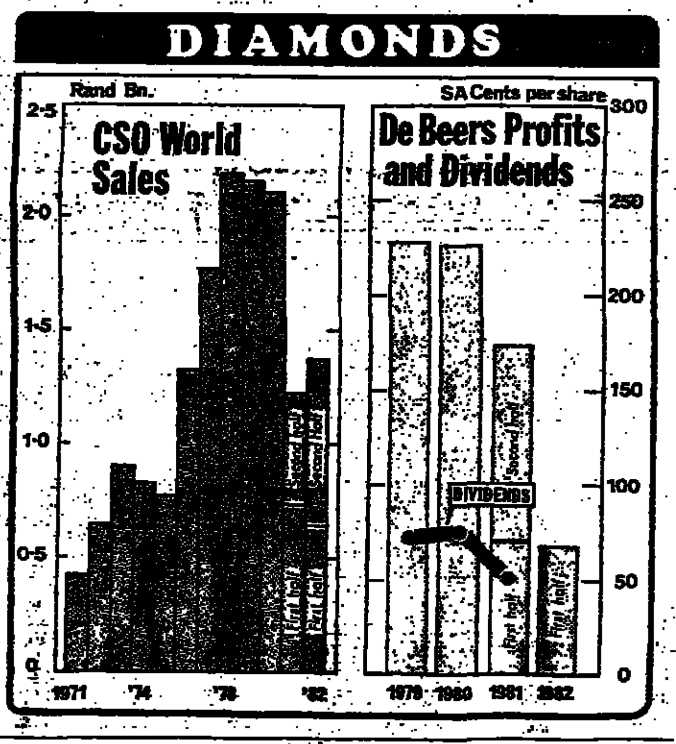
This did not stop De Beers from having to announce in August a halving of its interim dividend for 1982; the half-year earnings were little changed but the group had to make provision for the costly financing of its huge stockpile of unsold diamonds.

Still, the share price continued to recover and this week it has touched a 1982-83 high of 458p. This level seems hardly justified by the group's financial progress; the 1982 full-year results, due in mid-March, are unlikely to bring much, if any, restoration in the dividend.

But, at least, there is some lifting of the clouds over the diamond market. The CSO sales total for 1982 announced this week has shown a further improvement in the second half to $632.7m (£398m) although unsold stocks have continued to rise and may have reached a total in 1982 of some $1.8bn.

Stocks at the main cutting centres are now down to more normal levels, the chronic bank indebtedness in Tel Aviv has eased, sales of the smaller and cheaper diamonds are going well and there is even a little interest being shown in the larger gems which have been almost unsaleable.

Cautiously, De Beers thinks that the worst is over but still expects a long haul to recovery. And that, of course, depends on a recovery in the economy of the U.S., the biggest market for diamonds.



Eric Short reports on the home invasion by MIRAS

Your mortgage and the taxman

IN APRIL, MIRAS appears on the house mortgage scene and its impact on millions of unsuspecting houseowners could well result in chaos and confusion for all concerned.

MIRAS is not a creature from Outer Space, nor a new video game. It is another move in the Government's strategy to simplify the tax system by paying interest on home loans net of tax. MIRAS stands for Mortgage Interest Relief At Source.

The concept, at least, is straightforward enough. Instead of borrowers paying mortgage interest gross and reclaiming the tax through their PAYE code—the present system—borrowers with a loan of £25,000 or less will pay interest net of basic rate of tax and reclaim higher rates, if applicable.

First of all, MIRAS only applies in cases where the mortgage does not exceed £25,000—the current limit for which tax relief is available on the mortgage interest. For mortgages above £25,000 the present system will still be continued.

There are two methods of paying off a mortgage — the repayment method and the endowment method. Under the repayment method, the borrower under the present system, pays level gross monthly payments to the building society or bank. From each payment, the interest on the outstanding capital is taken and the remainder is used to reduce the amount owed.

The borrower reclaims the tax relief on the interest through the PAYE system by having his code adjusted.

In the initial years when the amount of capital being repaid is small, the bulk of the payments made represent interest payments. Tax relief is at its highest and consequently the net cost to the borrowers is low, but rises each year as more capital is repaid. The effect is shown in table 1.

The endowment method is an interest only payment system. The borrower pays interest on the full mortgage to the building society or bank throughout the term of the mortgage. In a separate transaction the borrower takes out an endowment assurance, usually a low-cost scheme, with a life company for the term of the mortgage. The money received on the policy at maturity or on previous death is used to pay off the capital, the borrower retaining any money left over.

Under the endowment method, the borrower reclaims tax on the full interest payments, and receives a tax credit on the endowment premiums. The net monthly payments remain unchanged as long as interest rates and tax rates remain unchanged. Table 2 shows how the endowment method operates.

The cost of using an endowment method is higher in the earlier years than the repayment method under the present system. The cost savings come in the later years. The repayment method is attractive for many borrowers, particularly the young first time buyers because repayments are kept to a minimum in the early years. The changeover to MIRAS poses no problems for borrowers using the endowment method. The borrower simply makes interest payments net of basic-rate tax to the bank or building society and the overall position remains unchanged.

As for the repayment method the building societies are switching to a system that averages out the tax relief over the term of the mortgage, with the borrower paying a level net premium throughout on constant interest rates and tax rates. Table 1 shows the new MIRAS payment for the particular example.

For existing borrowers, it means that their immediate net payments will rise, though the actual payments made to the building society will fall. Thus borrowers may well think that they are better off under MIRAS until they look at their payslip and find that their net take-home pay has fallen because of a higher tax bill.

The legislation introducing MIRAS gives existing borrowers the right to continue the present system, that is to make net payments to the building society that will increase with time and to reflect the actual amount of tax relief in the year it occurs. The building societies cannot take this right away. But they are telling borrowers that unless they are informed to the contrary the changeover to the averaging system will take place.

If borrowers show their usual inertia, most will by default switch to the new system, thereby losing the advantages of the present repayment system.

New borrowers with building societies do not have this choice once MIRAS becomes effective. They either take the level net premium repayment method or the interest only endowment method.

Table 3 shows that with this choice there is very little difference in net monthly premiums between the two methods, while the endowment offers a substantial cash sum at the end. Borrowers have lost the minimum initial repayment advantage and life companies are expecting that almost all borrowers will opt for the endowment method from April.

The banks are being much more flexible in their approach. They are simply putting the present repayment system on to a net basis so that effectively net payments are unchanged. Borrowers going to a bank for their mortgage can still obtain the advantage of the repayment method.

This factor is likely to be a particular significance to new borrowers in deciding between a bank and a building society, providing they are aware of the choice.

Barclays has gone one stage further and offers three choices—a variable net premium, an average net premium like the building societies and the endowment.

The message for existing borrowers dealing with MIRAS is check out the alternatives available and compare net costs, not payments to the building society. For new borrowers, it means comparing the mortgage offers from banks and building societies but remember that only banks will in future offer a low cost start repayment method.

TABLE 1

£10,000 mortgage taken out in April 1978. Capital outstanding in April is £9,372. Interest at 10 per cent.

Payments in the year 1983-84

Old system	£	MIRAS	£
Gross monthly premium paid to building society	91.90	Net monthly payment to building society	73.76
Interest payment £78.10		Consisting of	
Tax reclaimed at 30%	23.43	Net interest	54.67
		Capital	19.09
Net cost to borrower	68.49		

Source: BSA

TABLE 2

£15,000 mortgage over 25 years taken out by a man aged 29. Interest rate 10½ per cent.

Old system	£	MIRAS	£
Gross monthly interest	128.12	Net monthly interest	89.69
Monthly premium low-cost endowment	20.44	Monthly premium low-cost endowment	20.44
Gross outlay	148.56		
Tax reclaimed on interest	38.43		
Net cost	110.13	Net outlay	110.13

TABLE 3

£15,000 mortgage over 25 years for a man aged 29.

Repayment under MIRAS (averaging tax relief) Interest 10%	£	Endowment method Interest 10½%	£
Net monthly payment to building society	107.40	Net monthly interest paid to building society	89.69
Life assurance premium (level term assurance)	2.98	Monthly low cost endowment premium	20.44
Total net monthly outlay	110.38	Total net monthly outlay	110.13
Estimated surplus after 25 years	nil	Estimated surplus after 25 years	11,085

Source: Legal and General Assurance

A golden handshake

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

In the case of payment of a sum in excess of the present tax free £25,000 as a golden handshake (1) is it correct that any sum above this figure is taxable at a reduced level, and if so, what is the level please? (2) Can the excess of £25,000 be treated as normal earned income for the purpose of maximising private pension contributions? (3) If the golden handshake were paid at the beginning of the financial year, would the sum over £25,000 be assessed for tax as the first item, i.e. at standard rate, or as the last item, i.e. the top rate?

(1) Yes; briefly, the next £25,000 is taxable at half the normal rates, and the next £25,000 is taxable at three-quarters of the normal rates. (2) No. (3) The date of payment is not important: the taxable portion is regarded as the highest part of the taxpayer's income of the year in which the employment ceased.

CGT on Solatium

About 15 years ago I was invited by an insurance company to run an agency in conjunction with my existing business. The agency prospered and four years ago I was informed that the company were proposing to open their own branch office and to terminate my agency. They added they would pay me a lump sum related to the business transacted in the final three years. I should add I was then 64 years of age. I thought the offer was generous as there was no contractual obligation to pay me anything.

My Inspector of Taxes has agreed this was a capital receipt in my hands but insists on calling it compensation, chargeable to CGT. I am claiming retirement relief on the disposal of this goodwill, but he will not accept that the arrangement falls within the definition of a "sale or gift". He admits that if I had sold the agency with the consent of the company to a third party I would have been entitled to the relief.

Although the inspector is strictly correct on the letter of the law, fortunately the official leaflet CGT6 (Retirement: disposal of a business) makes it clear that in practice the Board regards section 124 (1) (a) as extending to virtually any disposal of goodwill etc. In the unlikely event of the Board confirming the inspector's refusal of retirement relief, you may wish to take up the point of principle with your MP.

Zero coupon U.S. bonds

I have some Zero Coupon U.S. $ Bonds which I bought before June 1982.

Could you please advise me (i) what will be my income tax and/or Capital Gains Tax position if I sell these Bonds (a) before April 1983 and (b) after April 1983 and (ii) would your advice be different if I leave the proceeds of sales in U.S. $?

(i). (a) The realised discount will be assessable to income tax under case V of schedule D. (b) Probably much the same as under the current law, according to the Inland Revenue press release of June 25 (Deep-discounted and indexed stock). (ii) No (assuming that you are domiciled in England and Wales, or in Scotland or in Northern Ireland, and are ordinarily resident in the UK).

Earnings in Belgium

I am both resident and ordinarily resident in the UK but I have been working in Belgium from December 1981 to January 1983, thereby qualifying for the 100 per cent allowance against tax on Belgian earnings. The period spans two income tax years so I have UK earnings in both years, but not sufficient to attract higher rates of tax. I have bank accounts in Belgium both in Belgian francs and in U.S. dollars.

1—Interest on both accounts is taxed at 20 per cent in Belgium. Will the Inland Revenue tax it again at 30 per cent or only on the difference of 10 per cent?

2—I intend to convert all francs into Sterling and remit it to a UK bank in January 1983. Since this will presumably be regarded as a withdrawal for capital gains (or losses) purposes, do I have therefore to keep a record of the exchange rate each time the Belgian franc account is credited?

3—Various investment advisers have recommended holding foreign currency as an insurance against this or a future government re-introducing exchange controls. In this context is there any fundamental difference between retaining my dollar account in Belgium, and transferring the funds to my dollar account in England?

1—Under articles IV(2)(a) and XI(2) of the Belgium-UK double taxation convention of August 29 1967, the rate of tax in Belgium should be reduced to 15 per cent. This 15 per cent Belgian tax will be allowed as a credit against your UK tax bill, by virtue of article XXIII(1).

2—Yes; the question of whether sums withdrawn are remitted to the UK is irrelevant (for UK CGT purposes) as we explained in the reply published on December 4 under "CGT on bank account."

3—It seems unlikely that any exchange controls would be more lenient for accounts in the EEC.

Student earnings in Germany

My elder son is now at a British University. He went to work in Germany in January 1982 and ceased work on July 31 1982. He has no other income. He earned £1,071 between January 4 and March 31 1982 and £1,488 between April 1 and July 31. He paid German income tax of £333 on his earnings of £1,488 in UK tax year 1981/82. Before he went he was told that any German tax would be refunded. The Inspector states "a person who is assessable on overseas income can obtain relief for overseas tax . . . at the lesser of (a) overseas rate of tax and (b) the UK tax chargeable . . . no UK tax has been charged and no relief can be afforded." Does this mean that if he worked in the UK and paid no tax because his earnings are £1,488, because he worked in Germany he pays tax? Also does this now mean that he can get no relief for a Covenant in 1982/83 either?

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

We claim no expertise in FRG tax and so we must assume that your son has checked that the German tax deductions were correct. On the basis of the figures given, your son could receive gross UK income (eg payments under a covenant) amounting to £1,559 in the remainder of 1982-83 without incurring any UK tax liability, as follows:—

UK income (before deduction of tax)	1,559
FRG earnings: 75% of £1,488	1,116
	2,675
less: Personal allowance	1,565
UK tax payable as 30% on £1,110	333
less: Credit for FRG tax	333
Net UK tax liability for 1982-83	NIL

Bed and breakfast now

In recent years I have made use of the "Bed and Breakfast" transaction in order to take advantage of the annual exemption amount allowed for CGT purposes. However, I am not clear as to the rules for this year. Could you please tell me if such a transaction still makes sense?

Your professional advisers are likely to recommend that the purchases are made by a company resident outside the U.K. (under both current and prospective criteria). As you probably know, the rents will be payable under deduction of 30 per cent tax in all probability under section 89 of the Income and Corporation Taxes Act 1970.

No interest in a legacy

The heading to our reply on October 16 last "No interest in a legacy" should have read "No interest on a legacy." The reply read "No. If there was an intermediate life interest you would not be entitled to interest on your legacy whether from end or 'executor's year.'" Part of our reply was missing. The last sentence should have continued: "or from death." No question arose as to interest from the death of the life tenant, which would of course be payable.

هكذا من الاصل

YOUR SAVINGS AND INVESTMENTS—3

Battle of the base rate

THE SAVINGS market had two bombshells dropped in it this week. Hardly had the dust settled from the shock of the clearing bank base rate rises than Save and Prosper, Britain's biggest unit trust group, launched itself into the retail banking market with a cash management account which is clearly aimed at creaming off the most profitable slice of clearing bank business, and could cause the building societies to do some hard thinking too.

Since interest rates bottomed out last autumn, with base rates dipped to 9 per cent at one stage, the interest rate structure has shifted significantly upwards. But as usual, these movements have left the building societies lagging well behind. It was only at the beginning of December that the societies reduced their recommended investment rate to 6.25 per cent net (equivalent to a gross rate of 8.93 per cent).

They were still reasonably competitive, especially taking into account the many extra rate schemes which they have on offer, which take the gross return into double percentage figures. But those investors who thought they could leave their money safely tucked away in a building society account, and get the best available rate on the market, will now have to think again.

This week the Council of the Building Societies Association met, and decided that there was no need for an immediate response on interest rates. Their inaction was understandable, given the continuing huge inflows which the societies have been receiving.

Something near £500m net was received in December, a record for a month in which the building societies are often heavily raided for Christmas spending money. This week, too, the Nationwide, one of the top three societies in terms of assets, announced its preliminary results for the year ending December, and a very comfortable picture was presented.

Total assets rose by nearly a fifth, representing a much bigger increase in real terms than in other recent years, and the year-end liquidity ratio was an exceptionally high 20.2 per cent. It is likely that other leading societies have similar results under their belts—which explains why they are under little immediate pressure to follow interest rates upwards.

The societies may still be hoping that the jump in money rates is just a temporary interruption to a downward trend—after all, U.S. and continental European interest rates have been falling in the past few days. But investors should note that the much-derided clearing bank seven-day deposit rate has now climbed from 5¼ to 8 per cent since November. And the clearers' slightly longer term investment accounts are now often yielding around 10 per cent—at which level they are starting to become competitive with the building societies.

This traditional tussle between the societies and the clearers is now becoming complicated, however, by the arrival of new entrants on the scene. These newcomers are being given a powerful shot in the arm by the latest rise in money market rates — normally available only to big, commercial depositors—to well over 11 per cent.

Last November the normally exclusive City of London accepting house, Schroder Wagg, decided to dip its toe into the personal deposit market, on the view that the larger private depositors were generally getting a raw deal from the clearing banks.

This week Schroder's rate—for sums of £2,500 and upwards, at seven days' notice—went up to 10.62 per cent. Although Schroder's Chris Cairns, who runs the scheme, is coy about the amount pulled in so far, he claims that "we've been encouraged by the start we've made, it's been above our expectations."

He guesses that other City merchant banks may be tempted to move into the top end of the retail deposit market, especially if they have unit trust operations which give them a name and a reputation among the investing public.

This is certainly the approach adopted by Robert Fleming, another City merchant bank which is unknown to the general public but which is closely connected with Save and Prosper. The two are pairing up to provide a High Interest bank account, offering a rate of interest which has shaken the competition rigid—no less than 11.25 per cent.

But the high interest rate is not the only key feature of the Save and Prosper account. Depositors are also offered limited cheque-book facilities, which should make it much easier to manage the account.

The established competition is from groups like Tyndall, which has run a money market fund for several years.

Various other money market-linked schemes are available, but none so far with quite the combination of high interest rate and chequebook convenience that is being offered by the Save and Prosper/Robert Fleming partnership.

The question is whether the launch will spark off the kind of deposits war which has been seen in the U.S., where money market funds have raked in well over $200bn, but where the banks have counter-attacked with so-called "super NOW" accounts.

So far the newer vehicles have done no more than nibble at the UK deposits market where the traditional savings operations still very much rule the roost—last year Nationwide alone pulled in something over £900m in net receipts from investors.

In a market of such a size, the odd few million pounds diverted to a new scheme would be neither here nor there. All the same, the building societies are concerned at the pressure on their margins caused by the switch to higher rate facilities, and the banks are worried that their profitable deposits could be creamed off by the new competitors.

So why is Barclays co-operating with Save and Prosper by providing clearing facilities for cheques? "One reason is that it will enable us to monitor the scheme," confides a Barclays spokesman.

Barry Riley

Taking a chance on oil

OIL AND gas partnerships provide a high-risk opportunity for the investor who wants a bit more excitement and a more direct stake in the industry than a portfolio of BP and Shell shares can offer.

A number of schemes promise not only the prospect of a share of potential profits but also considerable tax advantages. But investors interested only in the tax advantages should beware.

The tax authorities have yet to give a ruling on the subject, a point which might be overlooked on a cursory reading of some of the more optimistically worded introductory brochures.

The partnerships work like this. A UK management group brings together a drilling company and up to 19 individual or corporate investors.

The funds supplied by the investors, who normally have limited liability, are passed on to the drilling company after the deduction of certain initial fees. The driller then looks for oil, finds it (if successful) and sells it. Any profits are returned to the partnership over the next 10 to 20 years until the wells are exhausted.

The profitability or otherwise of any scheme depends on the drilling company's success in finding oil or gas, the proximity to a market and the development of energy prices. A number of schemes have assumed steadily rising prices in calculating profit potential despite recent declines in the price of oil.

Caution is advised in an area as free of regulation as this one. The schemes are not subject to close vetting by any regulatory authority and the promoters are not required to be licensed dealers in securities.

Investors should therefore look carefully not only at the record of the management group to which they entrust their funds but also at the experience of the drilling company employed.

Greenwood Oil, a company which has launched three programmes for outside investors in the past 12 months, says it tries to take the extremes of risk out of its ventures in several ways. It avoids sinking wildcat wells, which amount to a shot in the dark in drilling terms, and aims to have 70 per cent of its money in development wells close to producing wells in known rock formations. The rest is put into exploratory wells, which are in known formations but further away from producing wells.

It also tries to balance the number of wells producing oil and gas, says Mr Tim Walker, the chairman. Oil is usually immediately marketable but is subject to greater price fluctuations.

Greenwood, the British subsidiary of Greenwood Resources of Denver, Colorado, raises funds in the UK for energy exploration in North America.

Greenwood Resources has spent four years in exploration in Texas, Louisiana and the Rockies, and independent reports, it says, show an average return to investors of 3.1 times their original stake, calculated over a 10-year period.

Greenwood describes its scheme as "an extremely tax efficient method of securing a high return." Mr Walker concedes however that the accounts of its first limited partnerships have yet to be passed by the Inland Revenue.

If the schemes are accepted they should allow the individual to set the trading loss incurred in the first year of operation against future profits, against tax liabilities for three years retrospectively or against other income.

Most of the funds raised are spent on drilling programmes in the first year but profits from sales do not emerge until later so the first year's trading loss can amount to 75 per cent to 85 per cent of the investment.

Charles Batchelor

PROPERTY

Timesharing grows up

BY JUNE FIELD

WHATEVER happened to the simple basic holiday cottage that was for so long the traditional form of escapism for the harassed weekday town dweller?

With disposable income eroded, sophisticated sharing operations are becoming the accepted replacement for the second home: and whether it is a log cabin in the Lake District, a pad in a Scottish castle or a French chateau, all the trimmings for luxury living will be there. One is not expected to rough it in timeshare.

On Monday a new consumer protection package to promote full confidence in this type of ownership is being launched at the two-day RCI Europe Annual Property Timeshare Conference at London's Cumberland Hotel. There the British Property Timeshare Association (BPTA), in conjunction with insurance brokers Leslie and Godwin, are introducing a developers' performance bond, a management refurbishment fund, and title insurance.

Welcome, too, is the Consumer Protection Committee which includes Marcus Fox, MP and Michael Hanson, editor of *Chartered Surveyor Weekly*, just set up to deal with any complaints against a developer or marketing company, whether or not they belong to the BPTA. (For a list of members contact Brian Wates, BPTA, Langham House, 308 Regent Street, London, W1.)

While safeguards should be superfluous with established timeshare developers such as Barratt and Wimpey, they are essential to cover the many small private operations coming into the business. As one marketing man observed: "The intentions of the smaller resort complexes may initially be of the best, but the burden of maintaining top-quality accommodation may prove too great. The whole idea has crossed the bridge from a cottage industry to a professional one."

Management plays a vital part in the success of multi-ownership, and Elliott Property and Leisure Group have found it necessary to bring in a specialist division of Grand Metropolitan to manage both their timeshare apartments at The Osborne, Torquay as well as to breathe new life into the hotel and restaurant facilities which are such an important part of the project. Conversion continues on this period building by the sea, and Elliott director Graham Williams says that they have sold £185,000-worth of weeks before the work on the next phase has begun.

Judy Rose, editor of *Holiday Time Sharing*, referring to the industry as "the wonder-child of 1981 and 1982" in a recent editorial, says she thinks this year will be the one in which more and more time-sharing will be offered by fewer companies: "There will just not be the rash of sales that keeps the very small operation afloat."

Mrs Rose's husband is Robert Rose, chairman of Atlantic Time Ownership, with villas and apartments on the Costa del Sol which cost from £810 for a week's freehold ownership. They have considerably increased turnover by selling blocks of weeks to companies such as Peugeot, Peter Stuyvesant, *Slimming* magazine and Scottish Brewers, who use them as in-house and dealer incentives or as promotional prizes.

An estate agent, too, is using timeshare as a sales stimulant. Druce and Co, Baker Street, W1, is offering buyers of properties in the £160,000 bracket a free £1,400 voucher for a 25-year ownership of a spring week on the Algarve. Partner Stephen Benjamin makes the point that the agents are paying the cost themselves; there is no charge to clients.

You can find out how to buy, sell and swap shares worldwide at the International Timeshare Exhibition at the Cumberland Hotel, London W1, on Thursday until Saturday inclusive.

Druce and Co. are offering a free voucher for a 25-year ownership of a spring timeshare week on the Algarve as an incentive to buy this split level furnished 3 bedroom, 2 bathroom apartment in Great Cumberland Place, London, W1. It is £175,000 for a 72½-year lease through Stephen Benjamin, Druce, 54/56 Baker Street, W1 (01-486 1252).

Saving the country house

"IT IS WITH a feeling of profound regret that the auctioneer pens the opening line of a sale catalogue which may destroy for ever the glories of historic Stowe," wrote Herbert Jackson-Stops in the introduction to the great Stowe sale of 1921 when 3,995 lots sold over 19 days.

Although stripped of its contents, the first Viscount Cobham's early 18th century mansion survives, but many of the buildings designed by Sir John Vanbrugh and William Kent in the grounds where "Capability" Brown was head gardener, are in ruins. And since the sale, some 1,053 country houses have been destroyed, whether by demolition, damage or decay.

Herbert Jackson-Stops was the grandfather of Tim Jackson-Stops, present chairman of the firm founded nearly 80 years ago in one room in Towcester Town Hall. As advisers to the owners of some of the finest country houses over the years, it is fitting that they should now be sponsoring the latest SAVE report (at a cost of £4,000 to £5,000), *Vanishing Houses of England*, a pictorial documentary of some 150 lost country houses, edited by Marcus Binney and Emma Milne, with text by John Harris. (£3.50 from SAVE, 3 Park Square West, London, NW1, where you can get a leaflet on how to become a Friend of the association).

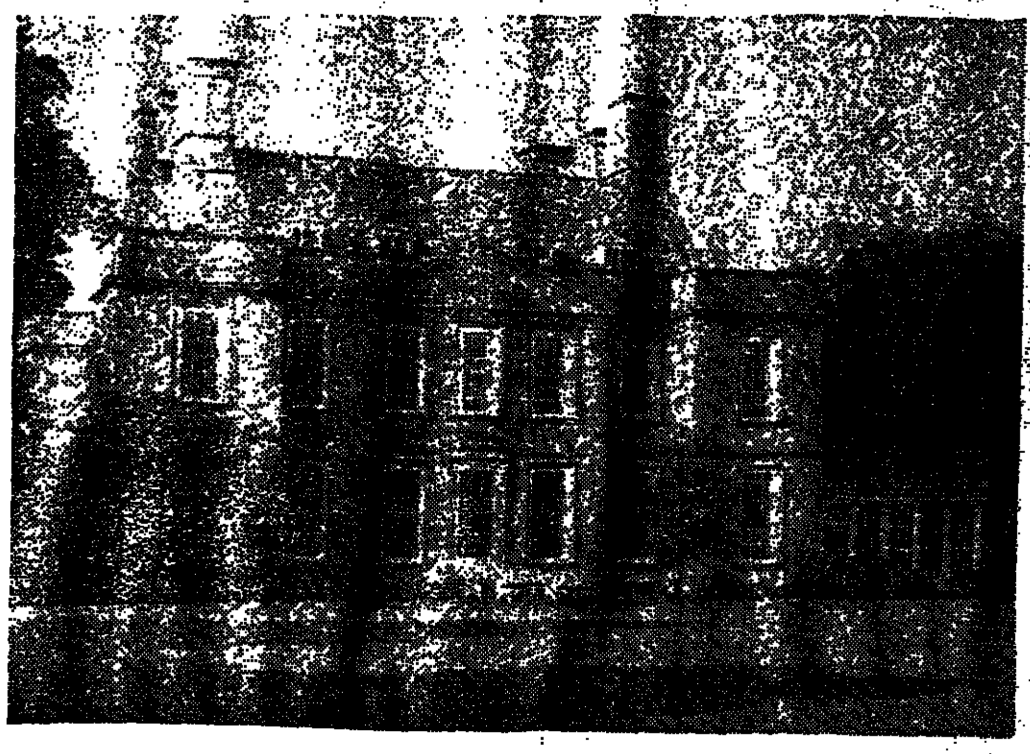
As architectural historian Gervase Jackson-Stops (Tim's brother, but not in the family business, unlike the other brothers, Mark and Quentin), observes in the preface: "The country house has rightly been called Britain's single contribution to western civilisation. ... How then could we afford to let them go?"

While he contends that there are bound to be yet more casualties, he believes that there is at last a realisation that progress should not involve the destruction of the past, but should make the best of what we already have.

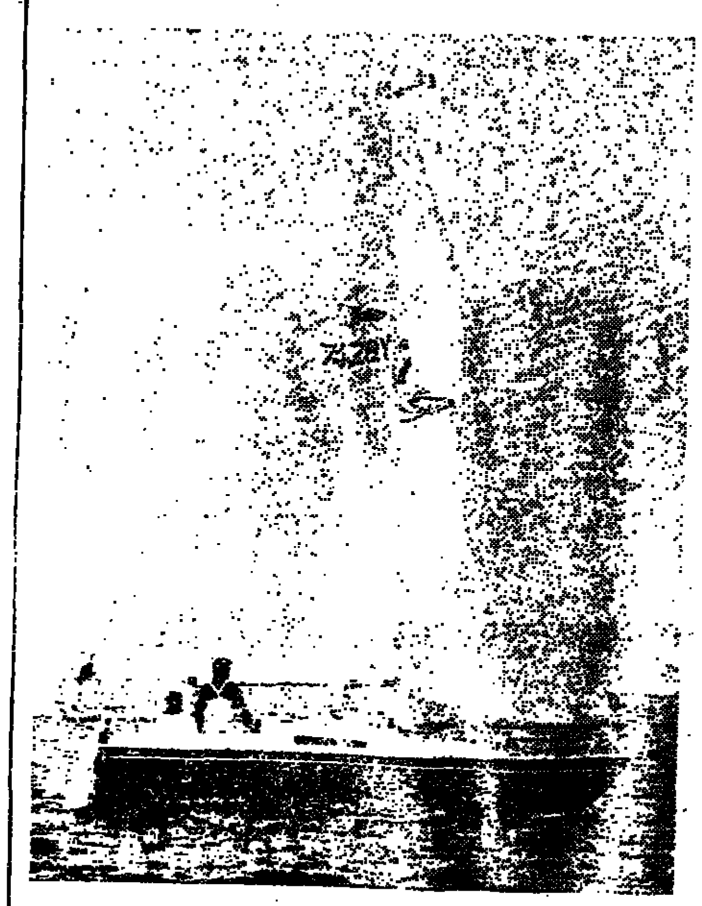
The report is a sequel to *The Destruction of the English Country House*, published in 1974 to complement the dramatic exhibition of the same name at the Victoria and Albert Museum. (I can still visualise the realistic "flames" consuming some of the buildings portrayed). Featured now are what might be termed the lost houses of Middle England, substantial country seats of landed families. Not necessarily architectural masterpieces, they were nevertheless the work of craftsmen, and had they survived, might well have found purchasers willing to restore them.

Much of the value of the book is that it draws attention to the supremely worthwhile work of the SAVE Britain's Heritage organisation, founded after the V and A exhibition to campaign for rescuing endangered historic buildings. One of their achievements is to persuade owners of empty buildings to put them up for sale if they do not want to do anything with the place themselves.

The most encouraging section is the record of houses saved and adapted to new uses, such as Lee's Court, Kent, Brockhampton Park, and Sherborne Park, both in Gloucestershire, converted by developers into apartments, and a few others which are variously a management training centre, hotel, and headquarters of a multinational company. There is also a useful check-list for those venturing into the country house conversion stakes on where to get such necessities as old oak beams, pine floorboards, quarry tiles, French stones to match ancient monuments, hydraulic lime, stable clocks, wind vanes and antique locks.



Bourton House, in 10 acres near Moreton-In-Marsh, Gloucestershire, historic 9 bedroom, 6 bathroom Queen Anne mansion plus a pair of 16th century cottages, tithe barn and a brew house, is £325,000. Details Peter Britton, Jackson-Stops & Staff, High Street, Chipping Campden GL55 6AJ.



The Vigil radar scanner mounted on a Sadler 25. Its size does not look out of place on this small yacht.

A radar star to steer her by

BOATS

ROY HODSON

JOHN MASEFIELD was content to get along with just "a star to steer her by." Today's yachtsmen are more demanding judging by the electronics navigation equipment at the 1983 Earl's Court Boat Show that ends tomorrow.

Few boats that are truly new or revolutionary are being shown in what is the most subdued display of the British boat-building industry's skills that I can remember. This year the show has been stolen by the booming marine electronics industry with a dazzling collection of new instrumentation and gadgetry—much of it based upon the micro-chip, of course.

The parameters for the range of electronics "goodies" that yachtsmen are being persuaded to fit are now so far-flung that I suggest a science degree will be needed soon before casting off.

Some of the more novel attractions are: a radar set in colour (Furuno of Japan); a talking echo sounder which conducts a monologue telling you how much water there is, or is not, under the keel (Seafarer of Britain); an on-board computer which tells you how badly you are sailing the boat compared with its theoretical best performance (Brookes and Gatehouse, Britain); and at least four different ways for the sailor to find out exactly where he is by using ground stations or satellites.

Now it is well known that electronics devices and sea water are uneasy bedfellows. The prudent yachtsman has usually resisted opening his cheque book to more than a small and carefully chosen collection of instruments on the principle that more gear means there is more to go wrong. And if it can go wrong at sea it will. . . .

But that cautious approach has been cast adrift—and probably sunk—by a recent decision by the Royal Ocean Racing Club that from the beginning of this year all forms of electronics equipment available will be permitted in the club's races.

The only noteworthy exception to that relaxation is the continued prohibition of the use of automatic steering. Apparently the RORC feels that there is no substitute for a firm hand on the helm.

Some diehards and purists are protesting against a free-for-all in yacht electronics arguing that it will give an unfair advantage to the man with the long purse who can buy all the gadgetry, that it will diminish the practice of skilled navigation, that it will turn a healthy out-of-doors sport into a mechanical affair with men hunched over computer arrays in the bowels of the ship.

To this the progressives, who have carried the day in the RORC, reply that technological progress cannot be ignored by ocean sailors, and it would be morally wrong to ban the use of any equipment that contributes to the safety of a vessel.

I believe the debate will fizzle out. Advanced electronics equipment is becoming rapidly cheaper as it sells to a wider market and an adequate range of instruments should eventually be within the budget of anyone who equips a yacht for offshore racing or cruising.

Using the value-for-money yardstick, the new piece of equipment that I believe will give the best return to a boat-owner is the remarkable small radar made by Mars—yes the people who make the bars.

Mars is a privately-owned company which has diversified successfully into electronics. Its latest step has been to try to carve out a world market for itself in marine electronics. To that end it searched for an obvious gap. And decided that no one was making a truly small and cheap marine radar.

The advantages of a radar are obvious. It gives the sailor "eyes" in fog, enables other shipping in the area to be monitored to avoid collision risks, and is a useful navigational device along coasts. But before Mars tackled the problem, existing sets had been too bulky for small yachts.

The scanner of the new Vigil radar is about two-thirds the size of previous designs and thus can be carried on the mast of a yacht as small as 25-feet overall length. And it can be fitted successfully to day fishing boats of under 20 feet.

As well as cutting down weight and bulk Mars has broken the £1,000 price barrier by selling the Vigil at £998—plus VAT I'm sorry to have to add.

The use in a cruising yacht of one of the recent micro-electronics self-steering devices is worth an extra crew member on board—and one that doesn't eat, drink, or argue.

The argument in favour of a human at the helm up to now has been the ability to anticipate movements of the yacht by watching approaching seas. Expect within the next year a tiny on-board computer to monitor the motion of the boat and steer with "anticipation" as well as if it had eyes.

What will they think of next?

BRIDGE

E. P. C. COTTER

TRUMP MANAGEMENT is all-important — without it the declarer will not bring home the more difficult contracts where the trumps, and perhaps a side suit, break badly. In my first example from rubber bridge the declarer displayed perfect technique:

```
            N.
          ♠ A 7 5 2
          ♥ K 6 5
          ♦ K 8 6
          ♣ A Q 8
W.                    E.
♠ Q J 10 4            ♠ K 9 8 3
♥ 10                  ♥ J 9 3 2
♦ J 10 5 3            ♦ 9 4
♣ J 6 5 2             ♣ 10 7 4
            S.
          ♠ 6
          ♥ A Q 8 7 4
          ♦ A Q 7 2
          ♣ K 9 3
```

With North-South vulnerable, North dealt and opened the bidding with one no trump, and South replied with three hearts. North's first thought was to rebid four clubs, agreeing hearts and cue-bidding his lower Ace, but in view of the fact that his opening bid was minimum, and that his heart support was not that powerful, he contented himself with four hearts. However, when South said five diamonds, he jumped to six hearts, which became the final contract.

West led the spade Queen, and the declarer took stock. If the trumps broke 3-2, the contract was cold, and he would make 13 tricks with a 3-3 break in diamonds. But suppose trumps were 4-1 and the diamond suit was also unkind, could he make sure of his contract?

Winning the spade in dummy, he cashed King and Ace of hearts, and West showed out on the second round. He crossed to the diamond King and returned a diamond to his Ace. Then he crossed to the club Ace and played dummy's last diamond. East discarded a club — if he ruffed he would be squandering a master trump on a losing diamond — and the declarer won with his Queen. He then played his last diamond, which he ruffed with dummy's six of hearts, giving East the choice of overruffing or discarding. Whichever East chose to do, he could make only one trump trick.

Note the declarer's excellent play — he draws only two trumps, and then plays diamonds carefully in case East holds only two diamonds, or even a singleton.

The second hand was dealt by South at a love score:

```
            N.
          ♠ 7 6 4
          ♥ A 8 4 3
          ♦ A 8 4 2
          ♣ 8 5
W.                    E.
♠ —                   ♠ Q 10 9 8
♥ K 10 6 2            ♥ J 5
♦ K 10 6 3            ♦ Q J 7 5
♣ J 10 9 7 3          ♣ A 6 2
            S.
          ♠ A K J 5 3 2
          ♥ Q 9 7
          ♦ 9
          ♣ K Q 4
```

South bid one spade and went four after a single raise from North. West led the club Knave, East won, and returned the spade ten, South won with his Ace, and West threw a club. Declarer cashed the club King, ruffed the Queen in dummy, took the spade finesse, cashed the King, and threw East in with a fourth spade. East returned the heart Knave, which was covered by Queen, King, and Ace. This restricted South's heart losers to one and handed him the contract on a plate.

The heart Knave was a bad shot. A second's thought should have shown East that the contract was unbeatable if South held either of the red Kings. East should, I need hardly say, have led back a low diamond.

The declarer was a world champion — but he did not play this hand like one. At trick three he should cash the club King. When West drops the seven, East can be placed with three cards in the suit. That is all that is needed. Declarer plays a diamond to the Ace and ruffs a diamond. He ruffs the club Queen — not to take a senseless spade finesse, but to ruff another diamond. He crosses to the heart Ace and ruffs dummy's last diamond. He has taken eight tricks, and his last four cards are King, Knave of spades and Queen, nine of hearts. He cuts adrift with a heart, knowing that he must make his last two trumps, a sort of delayed trump coup.

CHESS

LEONARD BARDEN

FEW BRITISH tournaments in recent years have proved so evenly fought as the latest Brighton international, sponsored by Knight Flight Travel and held at the Conference Centre. All 11 competing masters stayed in the running for first prize till near the end, and the final table showed only 1½ points covering the top nine.

Scores were Sigurjonsson, Gurevich and Murrey 6, Short and Arnason 5½, Hodgson and Westerinen 5, Shamkovich and Hjartason 4½, Watson and Tisdall 3½. Britain's trio of Short, Hodgson and Watson are all under 21 and performed well against their experienced opponents from the U.S., Finland, Iceland and Israel. However, their mid-table results show how difficult world chess has become for young players once they achieve the international master title. The GM norm was 7½ points, so they cannot yet contend seriously for the higher title. Even Short's GM score at Amsterdam last summer has proved an isolated occurrence.

A new FIDE rule specifies that at least one of the three required norms for an international title must be achieved in an all-play-all event. For economic reasons, it is very much easier in Britain and the U.S., and increasingly so throughout Western Europe, to hold tournaments on the "Swiss system" (a cross between all-play-all and knock-out where players with similar scores are paired). There is no theoretical upper limit on numbers of participants in a Swiss, and thus the organisers can recoup a significant percentage of running costs via entry fees.

All-play-alls lack entry fee income, but traditionally provide hospitality and travel for visiting experts as well as a prize fund. Thus an event like Brighton would be impossible without a sponsor, yet it is harder to find support for a middle level competition than for a world class GM tournament such as Hastings (backed by ICL) or the Phillips and Drew Kings.

At one stage last year the Brighton organisers reckoned they would have to finance half the budget of around £2,000 from their own pockets. The situation was saved by the intervention of Knight Flight—a travel agency run by chess-players—plus donations from NatWest Bank and the Friends of Chess. But Brighton and Hastings are the only all-play-all tournaments on the British chess calendar which provide opportunities for young IMs not yet near grandmaster strength. Thus Hodgson, Watson and others of their generation will not find it easy to gain suitable experience which could help them raise their game to the level of the three top British GMs Miles, Nunn and Speelman.

Tournament co-winner Sigurjonsson is known to be a slow starter and his first-round defeat at Brighton proved his only loss there. The Caro-Kann 1 P-K4, P-QB3 is thought defensive, but Black's plan in this game is a good counter-attack against 1 P-K4.

White: GM G. Sigurjonsson (Iceland).
Black: IM J. M. Hodgson (England).

Caro-Kann (Brighton 1982).

1 P-K4, P-QB3; 2 P-Q4, P-Q4; 3 N-Q2, PxP; 4 NxP, N-B3; 5 N x N ch, NPxN; 6 P-QB3, B-B4; 7 N-B3.

White confuses two systems. With his pawn at QB3, the knight should go to KN3 or KB4 (via K2) to harry the bishop; while with the knight at KB3, he should play B-K2 and P-QB4, with an eventual P-Q5 break.

7 . . . Q-B2; 8 P-KN3, P-K3; 9 B-N2, N-Q2; 10 0-0, 0-0-0; 11 Q-K2, B-KN5; 12 B-K3, P-KR4; 13 P-B4.

Acknowledging his mistake, but Black's attack is already well advanced.

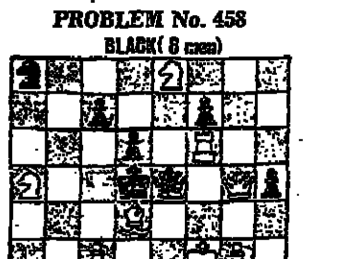
13 . . . P-R5; 14 P-N4, PxP; 15 BPxP, P-KB4; 16 P-Q5, P-B4; 17 PxKP, PxKP; 18 P-QR3, B-Q3; 19 PxP, NxP; 20 QR-N1, N-K5; 21 Q-N2, B-B4!

With both kings exposed, Black has to keep up constant threats. If 22 BxB, QxB ch; 23 K-R1? NxP mate.

22 KR-K1, P-N3; 23 Q-K5, BxN; 24 QxP ch?. (losing by force, but if 24 QxQ ch, KxQ; 25 BxB, N-Q7!) K-N1; 25 BxB, N-Q7; 26 BxB, QxB ch; 27 K-N2, RxP ch! 28 KxR, Q-B7 ch; 29 Resigns. If 29 B-N2, R-R1 ch and mates.

POSITION No. 457

BLACK (10men)

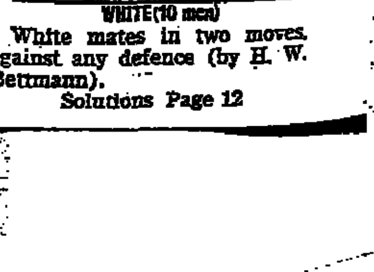


WHITE (10men)

Westerinen (Finland) v Condie (Scotland), Lewisham 1982. The victory of the 17-year-old Scot over the experienced grandmaster was the surprise of the tournament, and gave the Edinburgh boy a qualifying score towards the IM title. With Black (Condie) to move, how should the game go?

PROBLEM No. 458

BLACK (8 men)



WHITE (10 men)

White mates in two moves against any defence (by H. W. Bettmann).

Solutions Page 12

مكرر من الاصل

LEISURE

California, here I come

TRAVEL

FRANK LIPSIUS

ONLY an hour above San Francisco across the beautiful red span of the Golden Gate Bridge and through striking terrain called the Valley of the Moon, the Napa Valley now ranks as the second tourist attraction of California, only behind Disneyland.

Weekends in the summer clog the one narrow road that bisects the valley, for visitors have been made welcome by the first-generation winemakers who proudly show off their land and wine. Tours and tastings are a regular part of the effort to familiarise the world with their work.

Even though most wineries produce far less wine than the market would bear, the active winemakers enjoy seeing visitors' appreciation, which is rewarded with opportunities to buy wine that has long since disappeared from the shelves of the wine shops.

Some wineries, like Joseph Phelps, reserve some types of wine for exclusive sale at the winery itself, an effort to draw visitors into the experiments being conducted at all times in a region that prides itself on successful adaptation.

In barely 20 years, the Napa Valley has grown to more than 120 wineries. Most of these boutique operations produce less than 50,000 cases a year.

The valley prides itself on its modern methods and experimental approach to making wine, though it equally defers to the long tradition from which it is derived. Leif Erikson found so many vineyards in America that the continent was called Vineland long before it was colonized by the Spanish. Once the Spaniards arrived, Cortez ordered grapes from Europe and had them planted by the thousands on newly-established estates. As the Spanish moved north into California, they took the grapes with them, making wine one of the earliest commercial products on the American west coast.

The California gold rush in 1849 coincided with a boom in wine production when disappointed panhandlers turned to the more liquid and predictable form of gold which was being heavily promoted by an immigrant Hungarian nobleman, Agoston Haraszthy. He imported more than 100,000 vine cuttings from Europe and gained the title of father of modern Californian viticulture.

Despite this long association with wine, California was barely recognised for its achievements until Baron Philippe de Rothschild decided to start a Napa Valley branch of his Chateau Mouton in 1979. By then, a 1973 Napa Valley Chardonnay had beaten a 1970 Mouton-Rothschild in a French wine tasting that caused considerable consternation and embarrassment because French experts remarked: "Ah, back to France."

This was about another Napa Valley Chardonnay and: "It is definitely California: it has no nose," about a French Batard Montrachet '73. Napa Valley winemakers refer charitably to such stepping stones to their elevation in the snobbish realms of wine production and appreciation. The baron's interest merely focused attention on activity that has been going on since 1960, when Robert Mondavi, the baron's partner in the new Napa Valley enterprise, opened the first new winery in the valley since American prohibition ended in 1933.

Mondavi started his winery after a family feud forced him out of the Charles Krug winery, which was started by the father of all Napa Valley wineries and bought by the Mondavi family in 1943. Peter Mondavi still runs Krug, and though the brothers are not on speaking terms, their children who work for their fathers' operations re-established harmony in the valley.

Robert Mondavi's adventurousness and flair first opened the valley to visitors. Built like a modern Spanish mission, the Mondavi winery is geared to visitors, more than 20,000 of whom visit it annually. Using the latest European equipment, the Mondavi winery has bright young tour guides who explain the wine-making process from harvest to bottle, culminating in a tasting of Mondavi's well-known white wines, particularly his Fume Blanc.

The tiny Clos du Val winery at the southern end of the valley shows the personal side of boutique winemaking.

All the wineries feature large stainless-steel vats and modern destemming and crushing facilities. In addition the winemakers take great stock in the kind of wood the wines are aged in. French oak barrels of various ages sit in enormous stacks in most wineries, along with a sampling of American, German and even Yugoslavian wooden casks and barrels.

All Napa Valley wines are blended. Clos du Val attempted at first to imitate the estate-grown-and-bottled model of better French wines, but like most of the wineries, Portet has to buy grapes from other fields and the exigencies of availability forces all winemakers to blend each year's yield.

In Taplin Road, off the main Silverado Trail are two unusual wineries. Though they sit next to each other, the Joseph Phelps Winery is the essence of modern efficiency while Heitz has grown by settling into a series of old farmhouses. Phelps was started by a wealthy Colorado builder who first came to Napa to build other people's wineries and decided to buy a cattle ranch to start his own. Walter Schug, the Phelps winemaker, comes from Germany and shows just how adaptable Napa grapes are to his style of Johannisberg Rieslings and Gewurztraminers.

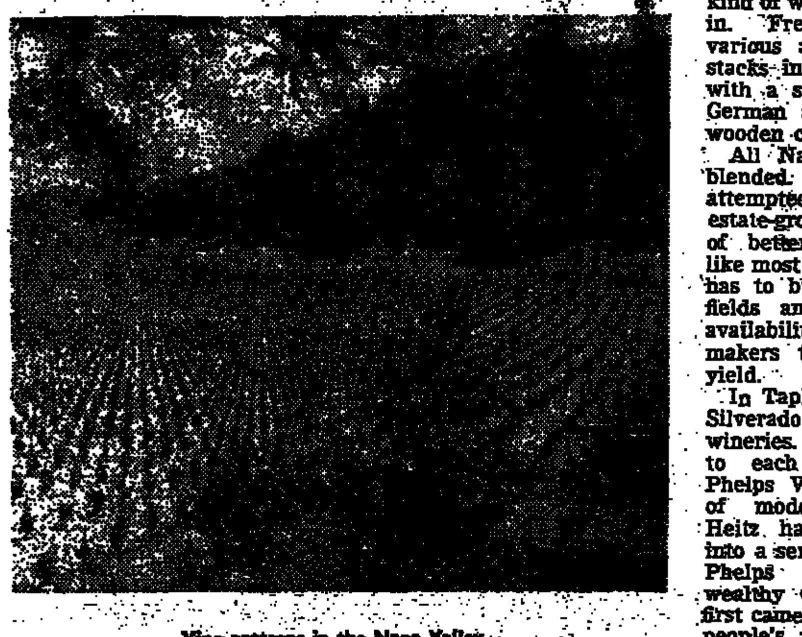
Joe Heitz runs a family operation that includes his three children and a taste for privacy and informality. With only 20 acres of his own under cultivation he buys and blends most of his wines. His famous Martha's Vineyard comes from a neighbour's 15 acres, and not from the east coast resort of that name.

Geared much more to tourists is the Sterling Winery at the northern end of the valley where its austere stucco Mediterranean-style building dominates the vines below. Producing 60,000 cases of wine a year, it is one of the largest of the boutique wineries and, having been bought by Coca Cola in 1979, Sterling is being used to garner world-wide recognition for American wine. It was the first American wine added to the cellars of the Ritz Hotel in Paris.

In the same spirit, the winery has a catwalk tour that visitors take at their own pace with explanation cards overlooking operations below. An entry fee of $3, a funicular up to the winery and professional efficiency mark Sterling apart from its neighbours.

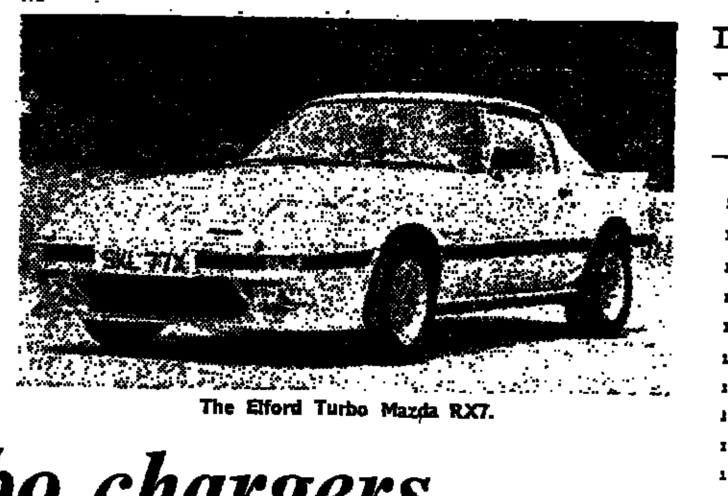
Besides a growing number of hotel rooms throughout the valley, the last requisite for a profitable visit is provided by Moet-Hennessy, the French champagne maker which has been in the valley since 1973. It has an haute-cuisine restaurant which is surprisingly inexpensive for a lunch carefully prepared round the winemaker's Napa Valley Brut.

A day's outing to Napa can comfortably accommodate visits to four wineries as well as lunch. Should only a weekend be available, it would pay to pick another California wine valley, which also features reputable wineries if not so close to each other. The David Bruce winery high in the mountains above Santa Cruz is one such winery on a forested hillside with a distant view of the Pacific Ocean. Bruce, a dermatologist half the week when he is not a winemaker, gives tastings on Saturdays when visitors can sample his unusual Chardonnays. A thoughtful and scientific enthusiast for Californian wines, he takes great pains to explain the difference in taste produced by American and French casks.



Vine patterns in the Napa Valley

The Audi Quattro, turbocharged for perfomance,



The Elford Turbo Mazda RX7.

The case for turbo chargers

MOTORING

STUART MARSHALL

THE LAST time I wrote about turbochargers I said the main reason for fitting them was to extract more performance. Not so, commented Mr G. M. Morrell, president of Schwitzer Europe, who is in the turbocharging business.

"The claim that turbochargers are for performance is a popular misconception cultivated by the turbo-car image. It is a simple component which helps improve the total thermal efficiency of an engine . . . which may be taken in the form of power or fuel consumption . . . or a combination of both," he said.

"We would be obliged if you would portray our product in its true light and not as perceived by the average hot rod user."

Suitably abashed, I promised I would bear the point in mind when next I wrote. For the last three weeks I have been living with two turbo-cars—the Audi Quattro and the Elford Turbo Mazda RX7. Distancing myself as far as possible from the average hot rod user, I'm bound to say that it's a racing certainty no-one buys either of these cars with the economy aspects of turbocharging in mind.

They are fast. The Quattro, with 200 bhp being squeezed—or rather blown—from its 5-cylinder 2.1-litre engine is good for 135 mph and leaps from a standstill to 60 mph in under 7.5 seconds.

The same Elford Turbo Mazda RX7 as I am now driving is featured in the current issue of *Drive* magazine, whose testers report a 130 mph maximum on a wet track and 0.60 mph acceleration in 8.3 seconds. A slippery track must be the explanation for the relatively leisurely take-off because a standard RX7 goes from 0.60 mph in only half-a-second longer.

Subjectively, the turbo car feels very much faster. An RX7-owning friend of mine couldn't stop talking about the kick in the back acceleration when I showed him what the Elford converted car would do. In passing, it also shows the value of the Quattro's permanent four wheel drive because, try as I might, I could not provoke the Audi into spinning its wheels however hard I accelerated. The Mazda needs watching in the wet.

Neither car has much go at under 2,500 rpm and the Mazda, with around 22,000 miles on the clock, is rough and jerky on the overrun. But as soon as the tachometer needle gets past the 2,500 rpm mark the cars leap forward, the Audi with a soft hum, the Wankel rotary engined Mazda with a noise like a grand prix Hoover.

The power-steered Audi simply goes where you point it, feeling absurdly secure on surfaces one treats with much more respect in a two-wheel driven car. It is quiet on the motorway at 3,000 rpm in fifth (80 mph indicated), rides firmly with only a modest amount of thump from the fat, 60 series Goodyear NCT tyres and gave me 21.3 mpg over 450 miles of mixed driving.

It has ample room in the back for full-sized people but the boot is very small, even with a shrunken-looking mini-spare instead of a normal wheel and tyre. The seats are on the hard side, the clutch has a long throw and there was more wind noise than I had expected on the motorway.

But it is a marvellous car to drive in under any conditions and points the way very high performance cars will have to be made in future—that is, with all-wheel drive. I had hoped my test would coincide with some snow. Not a flake has fallen near my home this year but the Quattro attracted envious glances as it squelched stylishly out of a waterlogged car park at the races.

The right-hand drive Quattro, nicely got up inside and equipped with electric windows and mirrors, costs £17,052. That is considerably more than the two-seat Mazda RX7 Elford Turbo, which at £12,016 is £2,817 more than the standard car.

Apart from a most professionally installed turbocharger, the Elford car also has larger spoilers back and front—the latter with flashable driving lamps—and wider alloy wheels with Pirelli P6 tyres. It is priced £372 above the turbocharged as standard four-cylinder 2-litre Colt Starion, which has an even nicer interior than the Mazda's and realistic back seats for two children compared with a tiny padded shelf. Elford, a Bournemouth Mazda dealer, will retrofit RX7 cars with a turbocharger for approximately £1,425, which does not include the special wheels and tyres nor the spoilers.

Is it worth it? Only, I think, if you want not merely a rapid turbocharged two-seater but one with a Wankel engine up front. The Mazda does have a feel—and makes a noise—all of its own. Engine apart, it has other attractions. It is pretty, handles tidily and its seats and gearchange are nicer than the Quattro's. The non-powered steering is heavy for parking but very light at normal speeds.

As I write I am still using the Mazda, so I cannot quote a fuel consumption. *Drive* got 22 mpg on the road. By the way the needle is moving down the gauge since I brimmed the tank last weekend, I doubt that I shall do better.

Dip or dim?

OPPOSITION TO the Department of Transport's proposal that dim-dip headlamps should be compulsory on new cars later this year is growing. The principle of dim-dip is that when the engine of a car with parking lights on is started, the headlamps come on automatically, but at only one-tenth of their normal power. The idea is to eliminate the possibility of dazzle.

But why bother? If headlamps are properly adjusted, the dipped beam does not dazzle. Other countries find it no problem. Nor, it would seem, do the vast majority of British motorists, 80 per cent of whom are sensible enough to obey the law and use dipped beams at night or when visibility is reduced by fog or snow.

The DoT seems to be obsessed with dazzle dangers when by far the greater peril is the car being driven on parking lights only in fog. Or, come to that, the car with one or more of its lights not working. If the DoT proposed a wiring change to ensure that normal dipped headlamps came on automatically when a car was being driven, few would surely disagree? Anything that would put a stop to cars—including, I regret to say, many police cars—being driven at night on parking lights would be welcome.

The Society of Motor Manufacturers and Traders is vigorously opposed to the DoT's dim-dip scheme, which would put Britain out of step with the rest of the world. I can't find anyone prepared to speak in the department's favour. I think it is a dotty proposal that treats the sysmptoms of a problem while leaving the cause untouched. It should be buried forthwith.

Flowers that go on

GARDENING

ARTHUR HELLYER

THE MOST COLOURFUL plants in my greenhouse at the moment are geraniums and half of them are the very same plants that were flowering outdoors all summer. I lifted them in October, before there had been any frost to check them, cut them back quite a lot to make them more manageable and then potted them individually in the smallest pots that would contain their roots. The mixture I used was good soil from the vegetable garden plus almost as much peat, half that quantity of perlite and a sprinkling of a compound fertiliser.

The plants only took about a fortnight to recover from this rather drastic disturbance, were soon back in bloom again and have continued without break even though the greenhouse thermostat is only set at 43 degrees F, most nights and a few times has gone a little lower.

It would be difficult to imagine anything more economical than this, particularly as the plants did not cost a lot in the first place since all were raised from seed. I did have a few plants of Apple Blossom Rosebud, a pretty variety with fully double, pompom flowers which produce no seed which makes it essential to increase by cuttings, but these I have discarded as unsatisfactory under these very cool conditions. Damp collected in the tightly packed petals and caused unsightly decay. This is a lovely variety to grow in a minimum 55 degrees F but I do not want the expense of maintaining that as it would certainly triple, and possibly quadruple my fuel bill.

The seed raised plants are of two varieties, Sprinter and Carefree and I see nothing to choose between them. Both were in mixed colours and have produced a reasonable range from white to red but lacking the rich magenta of Vera Dillon, an old variety that has to be propagated by cuttings. I have seen colours near to this in trials of geraniums from seed and no doubt one day everything that can be got out of this plant will be available in seed strains, but not yet.

Most of my plants are now several years old and they have not, as yet, been renewed from cuttings. Some of the larger plants have been pulled apart when they were repotted but this was solely to keep them of convenient size not because they were in need of rejuvenation.

A novelty I am trying this year is a trailing geranium named Orange Cascade which I have not seen but, from description, appears to be a hybrid between a zonal-leaved and an ivy-leaved variety. It has flowers in shades of orange scarlet and strongly zoned leaves and is grown from seed in the same way as zonal geraniums.

Anyone intending to grow geraniums from seed should start fairly soon if they want to have plants that will start to flower by mid-summer. March sowing saves cost in heating and will produce good plants but they are unlikely to start flowering until August this first year, though subsequently they will be capable of flowering most of the time if temperature and light are right. But for good first-year results January sowing in a temperature of about 70 degrees F is desirable.

There are not many seeds in a packet, usually from six to ten of the newer varieties and maybe up to 20 of the older kinds. Even at this price one cannot expect every seed to grow, so it is wise to give them the best possible treatment. A good peat-based seed compost can be used though I use peat and perlite which keeps open without drying out too quickly. Seeds are sufficiently large to be sown individually half- to one-inch apart and at this distance the seedlings can be allowed to grow on undisturbed until about an inch high and ready for potting in small pots. Seeds should be just covered and then the seed pan itself covered with a sheet of glass and a single thickness of newspaper. At 70 degrees F, germination should not take more than a fortnight, probably less, and then the covering must be removed and the seedlings given as much air as possible consistent with maintaining a fast growing temperature around 65 degrees F.

From April onwards the necessity for artificial heat declines rapidly though there can be cold nights and radiation frosts until mid-May or even later in some places. But by then the young geraniums should be sufficiently sturdy to withstand lower temperatures. It is germination and the ensuing few weeks that are critical. Clearly a small heated propagator is a great convenience but wonders can be worked on a window ledge in a room that is warm day and night. Geraniums, once started, are really among the easiest plants to grow.

Two other flowering plants that have a similar ability to flower outdoors in summer and in a greenhouse or warm room in winter are the busy lizzie, or impatiens, and *Begonia semperflorens*. Impatiens needs the same rather high temperature as geraniums but there is no need to sow until early March so additional warmth is not required for long. Begonia seed will germinate at 60-65 degrees F but it is desirable to start in January or early February as the plants grow slowly at first. Begonia seed is dust-like and difficult to sow thinly. It needs a smooth, level surface so that seeds do not drop down into holes and the merest dusting of sand or fine peat as covering. In other respects treatment is as for geraniums except that seedlings should be pricked out into seed trays as soon as they can be handled. If spaced about 1½ ins apart they can be left to grow on undisturbed until it is time to plant out in late May or early June.

Impatiens requires much the same treatment but its seeds germinate better in light than in shade so there should be no newspaper covering.

Both plants will flower non-stop all summer, the begonias in a sunny place, the busy lizzies in sun or shade. Both are also excellent for window boxes and other containers, as are geraniums. Then, in October, as many plants as required can be lifted, potted and brought under cover to go on flowering as long as a temperature of 50 degrees F can be maintained. Since seed of both these plants is relatively cheap, this means a magnificent return for a very modest outlay. Most modern varieties of impatiens are much shorter and more compact that the old type which makes them better outdoor plants but perhaps not quite so attractive in pots but taller varieties, such as Harlequin and Grand Prix, are available.

BOOKS

Wed and unwed

BY ANTHONY CURTIS

Bech is Back
by John Updike. André Deutsch. £6.95. 195 pages

Henry Bech? "Who he?"—was what Harold Ross used to put against the names of individuals mentioned by his contributors of whom he reckoned New Yorker readers would not previously have heard. Well, then. Henry Bech is an American Jewish writer now turned 50 who, on the strength of four novels only, and a volume of collected journalism, has acquired an enormous international following.

His appeal is both to the book-buying public (which in his case still exists) and to the academic and critical élites. He is entirely the invention of John Updike and cannot be identified with any actual contemporary writer as, for instance, could, and were, the writers in Maugham's *Cakes and Ale* which was a similar operation to the Bech stories, holding a fictional mirror up to contemporary fiction.

Bech first burst upon an unsuspecting world in the mid-1960s in sporadic magazine appearances and first appeared between boards in 1970 in *Bech: A Book* (now in Penguin). Twelve years later we have seven more chapters from the life of this writer in the present book, *Bech is Back*. Whereas five out of the earlier seven appeared originally in the New Yorker (of which Mr Updike was once on the staff), only one of the latest episodes appeared first there, and two more appeared first in Playboy. That small bibliographical fact may be making a point about the state of literature in America today as illuminating as anything in the stories themselves.

To anyone wholly unfamiliar with Bech, as I was before I started work on this review, I would suggest you have a rich treat ahead of you. Try to ration yourself to one a night otherwise you may become as sated with wisecracks as Bech himself; but do, I beg you, try to read the stories in chronological sequence.

The two books hang together as ingeniously as any of those childhood jigsaws described on the box as "fully interlocking." Taken together they have the dimension of a work of quite major proportions. By the end of the first volume, Bech has already published three of his four novels and has acquired an international reputation. He has been admitted to the American Institute of Arts and Letters (in "Bech goes to Heaven") and he had begun his liaison with the Latchett sisters, Norma and Bea, daughters of Judge Latchett (in "Bech Takes Pot Luck") one of whom he marries in the present volume (in "Bech Wed"). Alas, the marriage does not last.

Bech goes to Jerusalem with his wife where he is an honoured guest, but it is she, not he, who is moved by the sight of the Wailing Wall and the whole experience although she comes of pure Episcopalian stock. What terminates the marriage, however, is Bech's inability to accept the role of a father (admittedly to children his wife has had by a former husband) and his sudden impulsive reversion to his former mistress, his wife's sister.

"Bech Wed" is the ironic core of the book and its longest episode; although Bech fails to put down marital roots in upstate New York, under these conditions he does succeed in writing the novel, *Think Big*, on which he has been chronically "blocked" for the best part of a decade. It turns out to be his worst book, but his most successful commercially. The account of its initial reception by the reviewers is an exceptionally piquant piece of effrontery from the author of *Couples*.

Here Mr Updike does permit himself to name living names and essay a moment or two of pure parody, even biting the hand of the journal that fed him in his youth:

> "An occasion," proposed George Steiner in The New Yorker, "to marvel once again that not since the Periclean Greeks has there been a configuration of intellectual aptitude, spiritual breadth, and radical intuitional venturesomeness to rival that effulgence of middle-class, *Mittel*-European Jewry, between, say, Sigmund Freud's first tentative experiments with hypnosis and Isaac Babel's tragic vanishing within Stalin's Siberian charnel houses."

The reader is not given a direct quotation from Bech's work; that perhaps would wreck the illusion, but by the end of the book we feel we know it pretty well. We observe him brooding upon its shortfall in the light of his expectations: we watch him being interviewed about it, reading it aloud, discussing it with Bech students in the English faculties of universities throughout the Third World, and on television in Australia and Canada.

No one has described more tellingly the meaning of "exposure," in the media sense of the word for an author, than Updike does in these tartly written tales of Bech's peregrinations around the globe.

His very eminence and celebrity have turned him into a modern version of the Wandering Jew whose affliction lies in the unrelenting strenuousness of the welcome he receives wherever he goes. Even the compensations turn rapidly to bitterness. Who was it who said that fame acts as an aphrodisiac? Certainly paunchy, self-absorbed Bech bears out the observation as he continually lies awake in the bedroom of some woman he has met for the first time earlier in the day trying to silence the animadversions of his most ungenerous critics which recur in his head like a long-playing record.

Mr Updike is a most complete writer. It is difficult to think of a stroke in the game, either backhand or forehand, which he does not execute with ease. The full athletic range of his talent is on display in these short episodes. In the resourceful figure of Henry Bech (a name that echoes that of Leopold Bloom) he has invented one of the most entertaining comic creations in recent modern fiction.


John Updike: bringing Bech to the boil

Death of a girl

BY RACHEL BILLINGTON

Young Shoulders
by John Wain. Macmillan. £6.50. 192 pages

Young Shoulders is a novel centred on tragedy: the death of a teenage girl in an aeroplane crash. The novel is set over the 24 hours during which her parents and elder brother visit Lisbon, the scene of the crash, and attend a memorial service in the company of other bereaved parents. The story is told by the brother, Paul, whose grief at the loss of his sister is tempered by more general grief centred particularly on the bad relations between his parents. The tone of the book is simple, deceptively so, for Paul's introspection and bitterness lead him into communication with his dead sister.

This is an ambitious stroke and takes the book into an almost poetic dimension—although the language stays true to a 17-year-old's perceptions. But more ambitious still and quite startling to this reader at least, is the book's conclusion. In short, this is a book with a happy ending. As the realisation grew that we were to see good arise out of suffering, I found myself positively alarmed at the prospect. And then even more alarmed at my own reaction. The alarm hinged on a fear of sentimentality, a very modern fear which does credit to nobody. In fact John Wain has very movingly defined the power of moments of deep emotion. That power which has the ability to alter the character and relationships of those within its grip.

The book by David Sutton, *Absences and Celebrations* (in Robin Lane Fox's poetry review last week) is published by Chatto & Windus at £3.95.

Serving King Henry

BY GEORGE MALCOLM THOMSON

The Statesman and the Fanatic: Thomas Wolsey and Thomas More
by Jasper Ridley. Constable. £12.50 net. 338 pages

The case has been settled. Thomas More is a Saint. Jasper Ridley does what he can with his belated brief as Devil's Advocate. Does he strain the evidence somewhat? Does he betray a shade of bias? Maybe, although the canonisers have had things all their own way for so long that a whiff of prejudice on the other side may be allowed.

When all is said and done, Thomas More does seem an odd choice for a halo. Consider: He was a brilliant lawyer and the assiduous civil servant of that most exacting of monarchs, Henry VIII. He rose to become Lord Chancellor. His public career might call for the Garter and perhaps the O.M.

Then there is his place in literature, the high water-mark of which was his sociological tract, *Utopia*, the brilliant picture of an imaginary totalitarian society that is, in its own way, a most alarming portent in human thought. *Utopia's* author had the fortune, good or bad, to be praised by the eminent Marxist, Karl Kautsky, as a founder of modern Socialism. In consequence, More's fame has benefited from the rise of Socialism as well as from the resurgence of English Catholicism.

Utopia, it has been said, is the first stop on the road to Hell. Certainly, it is no longer possible to regard More's sketch of a non-existent society as the *jeu d'esprit* of a clever diplomat of 37 while he was engaged in boring commercial negotiations in the Netherlands. If we want to have an idea of what Utopia would really be like we have only to contemplate the Soviet Union today.

However, *Utopia* like Plato's *Republic*, is a seminal philosophical work for which its author deserves—what? The Nobel Prize for Literature, perhaps, in a year when the Swedish Academy wanted to placate the Kremlin for having chosen Solzhenitsyn.

All this adds up to a pretty remarkable Englishman, a man, as has been said, for all seasons. Not quite a saint, though? Maybe not. But the story is not finished. There is also the execution, the martyrdom.

Why was More executed? Because he opposed the King's marriage to Anne Boleyn? He did not. Because he upheld the papal supremacy over the Church in England? Not quite. He refused to answer the question of the King's supremacy, saying that if he said yes he would perjure his soul: if he refused he would endanger his life. He did not think a man should be forced to answer such a question.

He had put just such a question to persons suspected of heresy, but circumstances were different then: every country in Christendom held that the Pope was head of the Church; only one country held that the King was. It may seem an odd, legalistic point, almost a quibble. But surely a man has a right to decide on what ground he will be martyred.

More was a strange man. Looking at Holbein's portrait, Jasper Ridley sees the face of a fanatic.

A man secretive, clever, tormented, one who wore a hairshirt of exceptional severity, who scourged himself and persecuted others, who wrote charming letters to his daughter and religious pamphlets of the most vicious scurrility. Very much a man of his time. But — a fanatic? It is too simple. On the other hand, not everyone's idea of a saint.

Mr Ridley's companion portrait, that of Thomas Wolsey, follows more conventional lines—the brilliant priest-politician, greedy, inordinate in pride and ambition, serving a King as greedy as he and even more devious. Twice Wolsey made an attempt at the papacy but his bribes were too small or too late.

In the end, he was plainly for the chop when death benevolently intervened. If he had not died at Leicester, he might have lived to meet the executioner on Tower Hill.

And in that case might not Wolsey, like More, be a saint today? It seems mildly improbable but stranger things have happened in the lives of statesmen and, after all, if Wolsey's attitude to Henry's divorce was evasive so was More's.

However, like More, one of the brilliant figures of an age of dangerous intellectual tumult, dominated by a trio of European monarchs of unusual calibre, Henry, Francis I of France and Charles the Emperor.

Ridley sketches the labyrinthine politics of the age with patience and a skill that is never tedious. It is an immensely intricate pattern of forces, through which the main characters weave their sinuous ways, infinitely unscrupulous and ruthless. And which among them is the supreme figure? Surely it is Henry, that terrifying image of a Renaissance prince, at once tyrant and revolutionary.


Thomas Wolsey: priest and politician

Through fresh eyes

The Longest War
by Jacobo Timerman. Chatto and Windus. £7.95 (hardback). Picador £2.50 (paperback). 160 pages

Every crisis in the Middle East generates its clutch of instant books. Their quality is unusually mediocre and few add much to what has already appeared in the press. Jacobo Timerman's book is an exception, mainly because of its argumentative verve rather than any new insight into Israel's invasion of Lebanon last year.

Few wars have been telegraphed so far ahead. Mr Timerman says that, three months before the war, he suggested to a friend "that if the two of us decided to commit suicide and explained in our wills that we were killing ourselves in order to stop Sharon's War, perhaps we could succeed in stopping it." On reflection he decided the gesture would be futile. This sense of futility—of an inability to affect the inception, course or conclusion of the war—pervades the rest of Timerman's meditation on the conflict. His conclusion is that the momentum of Israeli nationalism is too great to be restrained by anybody inside Israel.

Many will find this self-evident. A curious aspect of Mr Timerman's view of Israel is that he sees the developments of the last 30 years largely telescoped into the few months last year when Israeli tanks stormed up to Beirut, shelled the city, and subsequently allowed Christian militias into Palestinian refugee camps where the massacres took place. In Mr Timerman this provokes all the anger of disillusion.

But the most depressing aspect of the war was its predictability. From the start Mr Menahem Begin, the Israeli Prime Minister, and General Arid Sharon, the Defence Minister, were trying to resolve political problems by purely military means. The constant frustrations their policy faced led only to the redoubling of the force used.

Despite all that has happened over the past year, there is little sign that future Israeli actions will be much different from the past. For all the resistance to the war inside Israel, Mr Begin is likely to be returned in any future election.

The impact of domestic dissent is significant primarily in the impact it has on Jews in the diaspora. And it is here that Mr Timerman's book has its main impact. He arrived in Israel in 1979, the author of a best-seller on his imprisonment and torture in Argentina, where he edited a liberal paper. His perception of Israeli politics is moulded by his experiences in Argentina. At times his lack of knowledge about political developments in the Middle East over the last ten years are somewhat irritating, but overall his errors make little difference to the force of his book.

PATRICK COCKBURN

Comrade Nikita

BY ERIK DE MAUNY

Khrushchev
by Roy Medvedev, translated by Brian Pearce. Basil Blackwell. £9.50, 292 pages

Given the foundations laid by Lenin, it is not really surprising that the Soviet regime should subsequently have produced such a monster as Stalin. After all, as Solzhenitsyn has pointed out, all Stalin did was to take Leninism to its extreme logical conclusion: if one is going to eliminate a few tiresome opponents, one might as well eliminate a few million.

On the other hand, given the spiritually deadening effect of the system, it is extremely surprising that such a regime should also have produced Nikita Sergeyevich Khrushchev. Despite his vehemently anti-religious views, Khrushchev was clearly inhabited by a still, small voice, which occasionally suggested to him that means were morally as important as ends. It was this that gave him a certain glow of recognisable humanity, among his grey secretive, unattractive companions, and no doubt helped to hasten his political demise.

Of course, one must not exaggerate. Khrushchev was a lifelong Communist, who never wavered in his belief that Communism represented the wave of the future; and he was not an innocent. As Stalin's viceroy in the Ukraine, he knew a good deal about dirty tricks in the Kremlin, and about the talents required to climb the grisly ladder of preferment. But others made a similar ascent (although many fell off). It was Khrushchev, at the Twentieth and Twenty-second Party Congresses, who had the courage to denounce Stalin's crimes, and was thus able—for a time at least—to stir the dormant conscience of his listeners. As Roy Medvedev puts it in his introduction: "Khrushchev was Stalin's antagonist rather than his proselyte: his years of power constituted a distinct epoch in the history of the Soviet Union, one that had a style and flavour that were quite different from those of both the dark days of Stalin's tyranny and the epoch of 'stability' that followed Khrushchev's departure from the political scene."

As one would expect from a distinguished Marxist historian who has managed to pursue his career inside the Soviet citadel, this is a workmanlike and well-researched biography. But it is also somewhat plodding and pedestrian, and Khrushchev remains for much of its length a two-dimensional figure, until towards the very end.

In a way, Medvedev is making amends for the blanket of official silence that descended over Khrushchev in mid-October 1964, when he was summoned back from holiday on the Black Sea to be told that he must relinquish all his posts. Of course, this collegial judgment (with only Mikoyan dissenting) was not entirely unfounded. Khrushchev had, indeed, made many mistakes, not only abroad, but in the field he especially cherished: agriculture. His successors, however, have not done any better. And there is something undeniably touching about the old man in his retirement, cultivating his garden, chatting with the neighbouring peasants, and reflecting quietly on past errors and achievements.

Defeating Rommel

BY FRANK GRAY

The Crucible of War: Year of Alamein 1942
by Barrie Pitt. Jonathan Cape £12.95. 478 pages.

"The war in the desert was generally fought with a chivalry unknown on other Second World War battlefields," writes Barrie Pitt in this second volume of what comes as close as any work yet published to being a definitive account of the 30 months of battles between German and Allied armies in the north-eastern Sahara. His first volume, *Western Desert 1941*, was published in 1980. Barrie Pitt humanises the story, for not only do we get to know Wavell, Auchinleck, Montgomery and, above all, Rommel, but the Italian army and corps commanders such as Gariboldi, Graziani and Bastico, the last of whom, we are told, became known as Bombastico because of his propensity of substituting style over substance in military matters.

A war historian, Mr Pitt is himself an army veteran who served in the Middle East. He displays a soldier's feelings for the tribulations of the field commanders, and there are few battles, however small, on which he does not focus some attention. He metes out his criticism evenly, citing the failings of Cunningham and Ritchie and of Rommel himself, especially for his resistance to accepting the reality of inadequate supplies, a problem that was not going to be solved as long as British submarines and the RAF guarded the supply lanes between Italy and Tripoli.


Barrie Pitt: army veteran

Nor does he deny us the true feel of the North African campaigns, of sand tearing into the necks of soldiers, of storms throwing confusion into the most well-planned battles, of the inescapable swarms of flies everywhere, and of desert dust so fine it swallowed countless lorries up to their axles.

Rommel is quoted at the outset as saying the only thing the desert was good for was war, nothing else. After El Alamein, Freyberg, whose 2nd New Zealand division was in hot pursuit of the Afrika Korps, wrote in his diary:

> "We began to pass through enemy positions and tanks of the Panzer Divisions that would fight no more, burning transport, and large calibre guns. It was a change much appreciated to speed across open desert away from the dust heap of the Alamein front."

Hitler considered the Battle for North Africa a sideshow. What is missing from Volume 2 is description of the actions of Col Jacques Leclerc, whose Fighting French forces were working their way up towards Tripoli from Brazzaville, 1,500 miles to the south. It was one of the more dramatic sideshows within the sideshow, tantalisingly curtain-raised in volume one and about which one hopes to read more in the third and final volume currently being written.

هكذا من الاصل

HOW TO SPEND IT

by Lucia van der Post

Christmas Quiz Results

THIS WEEK I promised to give you the answers to the Christmas Quiz and to announce the winners who, in the now traditional way, will each receive a magnum of champagne. I'd like to start by thanking all of you who entered the competition and the fine spirit in which you did so. Many of your entries came with charming notes attached to them. Often there was just a brief line to say "Thanks a lot — what a great quiz," or even "No champagne expected but just for fun" from a lady in Kuwait.

Honey Russell, an editor of Quality Puzzle Magazines, who organised the quiz for us and who drew out the winners was immensely impressed by the high standard of the entries. "An ingenious and very clever lot" is how Honey describes you all, as I'm sure you'll be pleased to hear.

As seems to happen most years, one or two questions turned out to be the critical ones on which most entries fell down. This year the one that caught many of you out was question 2C of the 1982 Quiz. The answer was not birching on the Isle of Man or anything to do with the IRA in the Maze Prison but the use of the tawse in Scottish schools.

When it came to question 5 of the Literary Quiz many of you were so ingenious that you managed to find a perfectly acceptable reason for proving that every single fictional character could have been the odd one out—in no case was anyone disqualified simply because they didn't give Miss Havisham as the answer, Honey Russell assures me.

Similarly with questions 7A and 7F of the 1982 Quiz anybody who gave the answer Garcia to 7A or General Saint Jean to 7F was counted as having got the answer right.

In the end Honey Russell found four readers who achieved all the correct answers and we decided therefore to award a magnum of champagne to them all.

The four winners, to whom I send warmest congratulations, are Lewis J. Osborne of Glasgow, Adam Broadbent of London EC2, A. M. Brodribb and family of Devon, and H. Perryman of Bucks. A magnum of champagne is on its way to each of you. To all the other entrants—thank you for entering the competition and better luck next year.

TRICKY QUICKIES

1—The postman is delivering Christmas cards to the six houses in Firtree Terrace. He delivers one-eighth of the number of cards in his sack to No 1, one-eighth of the remainder to No 2, nine cards to No 3, one-quarter of the remainder to No 4, half of the remainder to No 5 and the final 15 to No 6. How many cards did he start with?

64 cards.

2—An ascending lift leaves the groundfloor of an office block at the same time as a man climbing the stairs. It takes the man eight seconds to reach the first floor, and, as he tires, each successive floor takes him four seconds longer than the last. There are 3 yds between each floor, and the lift travels at a constant speed of 4 ft per second. The man and the lift arrive simultaneously at the [illegible] floor. What is the average time that the lift stopped at each floor en route?

[illegible] seconds.

[illegible]—Five people are standing in a row. My only sister is standing between her brother-in-law and his brother-in-law. My sister's husband, who is an only child, is standing next to his sister-in-law, who is standing two places way from my brother. Who is standing next to me?

My brother-in-law (my sister's husband).

4—A single-decker bus on which no standing is allowed approaches stop A exactly half full. At stop A, half the passengers alight but twice as many as that get on. At stop B, eight more passengers embark than alight. At stop C, two passengers alight and only the first seven people in the queue are able to obtain a seat. What is the passenger seating capacity of the bus?

52 passenger seats.

5—A new estate of two-, three- and four-bedroomed houses is being planned. There are to be more than twice as many two-bedroomed houses as three-bedroomed houses, and the total number of bedrooms in the three-bedroomed houses must be the same as the total number of bedrooms in the four-bedroomed houses. If there must be at least seven four-bedroomed houses, what is the minimum number of bedrooms that must be provided to comply with these conditions?

122 bedrooms.

CROSS REFERENCE

Readers were asked to discover which letter of the alphabet each number represented. You were told that 1, 2 and 23 represented A, R and O respectively. This gave enough clues to the identity of sufficient other letters to enable you to start guessing at likely words.

A	N	T	I	C		J		A		D	A	B
S		R		H		O	R	B		E		O
S	H	A	D	O	W	S		O	T	T	E	R
		C		R		T		V		R		E
O	M	E	G	A		L	E	E	W	A	R	D
	A			L		E				C		
F	R	O	Z	E	N		S	K	A	T	E	R
		B				E		I			L	
P	I	L	L	B	O	X		T	A	C	K	Y
A		I		L		T		C		A		
P	I	Q	U	E		A	S	H	A	M	E	D
E		U		S	U	N		E		E		I
R	O	E		S		T		N	Y	L	O	N

DOUBLE ACROSTIC

A	THIEF
B	HALF
C	EMPTY
D	SHOVE
E	PUN
F	ERROR
G	CHESS
H	TWINS
J	AFTER
K	THING
L	OVERT
M	RIM
N	ALOUD
P	DWELT
Q	DAILY
R	ISLE
S	SLASH
T	OATH
U	NIGHT

Readers were asked to write the answers to the clues in the first diagram, to find that their initial letters, read down the first column, spell out the title of an 18th-century publication and the name of its author. Then you had to transfer all the letters to the corresponding numbered squares in the second diagram to reveal an appropriate quotation from the work.

Clues
A Robber (5)
B One of two equal parts (4)
C Unoccupied (5)
D To push sharply, jostle (5)
E Word play (3)
F Mistake (5)
G Board-game (5)
H Two born at one birth (5)
J Later in time than (5)
K Inanimate object (5)
L Open to view, evident (5)
M Edge, as of a wheel (3)
N Audibly (5)
P Resided (5)
Q Happening every 24 hours (5)
R Wight, or Man, perhaps (4)
S Long violent cut (5)
T Swear-word (4)
U Dark part of the day (5)

THE SPECTATOR, ADDISON

I HAVE OFTEN THOUGHT S
AYS SIR ROGER IT HAPP
NS VERY WELL THAT CHRI
STMAS SHOULD FALL IN T
HE MIDDLE OF WINTER

LOGIC PROBLEM

Each of the chefs of five French restaurants has a "spécialité de la maison," consisting of a meat dish cooked in an unusual sauce. From the information given below, readers were asked to name the restaurant which employs each man, and give full details of his speciality.

Clues

1—Despite his name, Pierre Bourguignon, who works at the Côte d'Azur, is not known for a beef dish, nor does he use chestnut sauce.

2—The dish featuring pheasant is cooked in sherry.

3—The Pont d'Avignon is renowned for the veal dish.

4—Armand Lyonnaise, who is not employed at the Pont d'Avignon, uses orange juice to provide the sauce for his dish, which, when living, has twice as many legs as the one cooked at the Rive Gauche, where Jean Duvin is not the chef.

5—Henri Roux's clients savour his trout.

6—The lager is used to prepare the dish served at the Chat Qui Dort; Claude Kiev's masterpiece is not the chicken dish.

Chef	Restaurant	Meat	Sauce
Armand Lyonnaise	Chez Maurice	beef	orange juice
Claude Kiev	Rive Gauche	pheasant	sherry
Henri Roux	Chat Qui Dort	trout	lager
Jean Duvin	Pont d'Avignon	veal	chestnut sauce
Pierre Bourguignon	Côte d'Azur	chicken	vinegar

Answer: Pierre Bouguignon works at the Côte d'Azur (clue 1). The chef at the Rive Gauche is not Armand Lyonnaise or Jean Duvin (clue 4). This clue also tells us that the creature cooked there must have two legs, so it cannot be the trout served by Henri Roux (clue 5). Therefore the chef at the Rive Gauche must be Claude Kiev. His two-legged offering is not the chicken (clue 6), so it must be the pheasant, and it is therefore cooked in sherry (clue 2). We already know that Pierre Bourguignon does not make the trout or pheasant dishes, nor does he cook the beef dish (clue 1), and, as he works at the Côte d'Azur, he cannot prepare the veal dish served at the Pont d'Avignon (clue 3), so his must be the chicken speciality. He does not use chestnut sauce (clue 1), orange juice, which is the choice of Armand Lyonnaise (clue 4), or lager, which is used in the dish cooked at the Chat Qui Dort (clue 6), and we know that Claude Kiev cooks with sherry, so Pierre must cook his chicken in vinegar. Armand Lyonnaise is not the chef at the Pont d'Avignon (clue 4), and, as he uses orange juice, he cannot work for the Chat so Armand must work in the kitchens of Chez Maurice. We now know the meats used in the dishes of Pierre, Henri, and Claude, and in that served at the Pont d'Avignon, so Armand, who works at Chez Maurice, must use beef. By elimination, Henri Roux must be the chef at the Chat Qui Dort. By further elimination, the man who prepares the veal at the Pont d'Avignon must be Jean Duvin, and his dish must be cooked in chestnut sauce.

Burning to be fit

ALL of you who were among the thousands who invested in a video cassette recorder this Christmas and are now feeling poor (because of the cost of the VCR) and fat (because of all that sitting about looking at it) can now join in a very inexpensive keep fit class at home. The keep fit experts with their eye on the ball have rushed to put all their know-how on to cassettes so that anybody too shy, too lumpy or too impecunious to join one of the fashionable clubs can get just as lean, just as fit and "go for the burn" (in Jane Fonda's famous phrase) just as successfully in the privacy of their own home.

Lotte Berk is perhaps the most famous name in the business. She it is whose measurements at 70 are the same as they were at 18 and she it is who was the first to make the plump, indulgent middle-classes suffer to be trim. Now those who have never been able to afford the cost of going to her classes or were geographically not near enough to do so can, for an initial outlay of £24.95, buy a video cassette which will take them through the whole routine.

Lotte Berk herself and her assistant Lois Kingham show you exactly how to do everything, from the initial "warm-up" section (vital for preventing injuries) to the stomach flattening exercise, ways of tightening flabby thighs, nipping-in the waistline or lifting a "sagging" bottom.

All this is available on either VHS or Betamax tapes and you can find them at all good video shops as well as at branches of W. H. Smith, Harrods, Knightsbridge, SW, and Selfridges of Oxford Street, London W1.

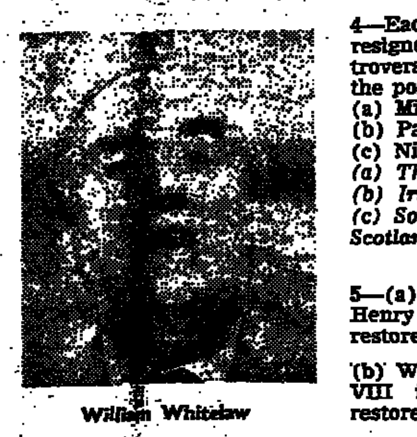
If you prefer to keep fit in company with Angela Rippon (she of the beautiful legs) well, then you can buy her Shape Up and Dance video cassette. Angela Rippon introduces the programme from her Devon garden, professional dancers then do exercises to hit songs while Angela explains exactly how to carry out each movement. She covers all those depressing problems so graphically summed-up by the well-known phrases—sagging buttocks, flabby thighs, podgy tummies et al. On VHS and Betamax, the cassette costs £24.95 and is available from video clubs, record and video stores throughout the country.

If you don't have a VCR you needn't feel too left out—on sound only is a tape of the fashionable aerobic exercises. Aerobics, you may recall, is the system proselytised by Jane Fonda, which works on the premise that things should be expanded, more air circulated in the body, and that if it doesn't hurt it probably isn't working. Two professional aerobic instructors to the Hollywood and Beverly Hills beautifl people, Susie Murphy and Leslie Lillien, are the instructors. With the cassette comes a 44-page illustrated booklet covering 50 aerobic exercises and a wall chart which you are supposed to read while lying down (I can't quite make out why, unless it be to give a moment's well earned rest between the action). Buy it by post for £6.45 from Home Gym Products, 46 Church Street, Buckden, Cambs PE18 9SX.

1982 QUIZ

1—Several records were established during 1982; can you identify each of them?
(a) The lowest since 1895, at Braemar.
(b) The fastest since 1936, in Surrey.
(c) The smallest ever, arriving at Falmouth.

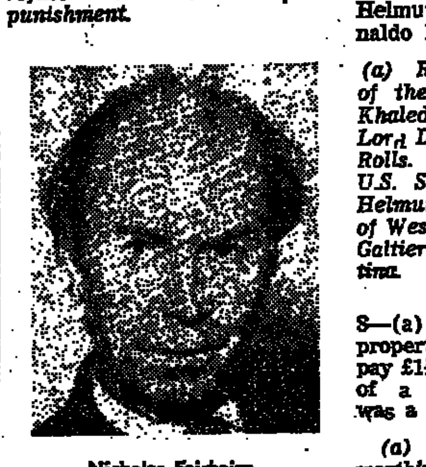
(a) Temperature −27.2°C. (b) Derby—run in 2 min 34.21 ins by Golden Fleece. (c) Boat to cross the Atlantic—9 ft ½ ins.



William Whitelaw

2—Concerning which event was each of the following quotations made?
(a) "It has not a shred of justification and not a scrap of legality" (Margaret Thatcher).
(b) "The House will admire the calm way in which Her Majesty responded to what occurred" (William Whitelaw).
(c) "The Court found that the situation in which the applicants' sons had found themselves did not amount to 'torture' or 'inhuman treatment'" (Court ruling).

(a) The Argentinian invasion of the Falklands.
(b) The intruder in the Queen's bedroom.
(c) The European Court of Human Rights ruling that parents have the right to refuse to allow corporal punishment.



Nicholas Fairbairn

(a) Who visited Wembley for the second time in a week on May 27?

(b) Who visited Wembley for the first time ever two days later?

(a) Tottenham Hotspur and Queens Park Rangers, for the FA Cup replay.

(b) Pope John Paul II, to celebrate mass.

4—Each of the following resigned as the result of controversy during 1982. What was the post held by each of them?
(a) Michael Trestrail;
(b) Patrick Connolly;
(c) Nicholas Fairbairn.
(a) The Queen's police officer;
(b) Irish Attorney General;
(c) Solicitor General for Scotland.

5—(a) What was broken off by Henry VIII in 1534 and only restored this year?

(b) What was lost by Henry VIII in 1545 and is being restored this year?

(c) What institution has been on the same site since at least 1699 and has just moved to the Isle of Dogs?

(a) Full diplomatic relations with the Vatican.
(b) The Mary Rose
(c) Billingsgate Fish Market.

6—What was the special significance of the reign of King Sobhuza of Swaziland, who died in August?

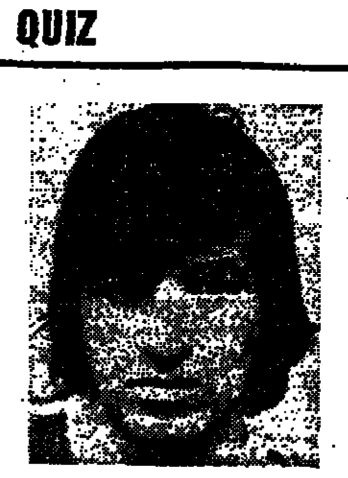
He was the world's longest reigning monarch.

7—Whom did each of the following replace or succeed during 1982?
(a) General Benjamin Menendez; (b) Crown Prince Fahd; (c) Lord Justice Donaldson; (d) George P. Shultz; (e) Dr Helmut Kohl; (f) General Reynaldo Bignone.

(a) Rex Hunt, as Governor of the Falklands. (b) King Khaled of Saudi Arabia. (c) Lord Denning, as Master of the Rolls. (d) Alexander Haig, as U.S. Secretary of State. (e) Helmut Schmidt, as Chancellor of West Germany. (f) President Galtieri, as President of Argentina.

8—(a) For which final piece of property did David Goldstone pay £1¾m? (b) For which part of a "five-cent" organisation was a bid of £310m made?

(a) Land's End. (b) Woolworth's British Stores.



Gerald Tuite

Peter Tatchell

9—Why was Flt-Lt Jeffrey Glover the only man to be released by the Argentinians on July 7?

He was the only British prisoner of war during the whole of the Falklands campaign.

10—(a) What journey ended on August 27 at Southend? (b) What was heard for the last time on September 10? (c) What was seen for the first time at 4.45 pm on November 4? (d) What began at 9.03 pm on June 21 in Paddington?

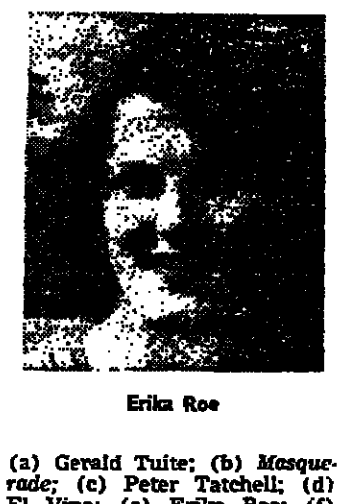
(a) The round-the-world expedition of Sir Ranulph Fiennes and Charles Burton, via the two Poles. (b) Listen With Mother. (c) Channel 4 television. (d) The life of Prince William of Wales.

11—Several show-business personalities died during the year. Identify the actor or actress who
(a) had a short meeting with Trevor Howard.
(b) had a "little bit of luck."
(c) stretched upwards.
(d) was looked at by Bogart in North Africa.
(e) left one high society for another.
(f) asked a busy bee not to sting him.

(a) Dame Celia Johnson (Brief Encounter).
(b) Stanley Holloway (Wiv a Little Bit of Luck—autobiography).
(c) Kenneth More (Reach for the Sky).
(d) Ingrid Bergman (Casablanca).
(e) Grace Kelly (High Society)
(f) Arthur Askey. (subject of his famous song).

12—Which Commonwealth member found herself less invincible after the Falklands invasion?
Australia. She had arranged to buy the aircraft-carrier Invincible until plans were changed after the Falklands crisis.

13—Each of the following made the news during 1982. Briefly, why?



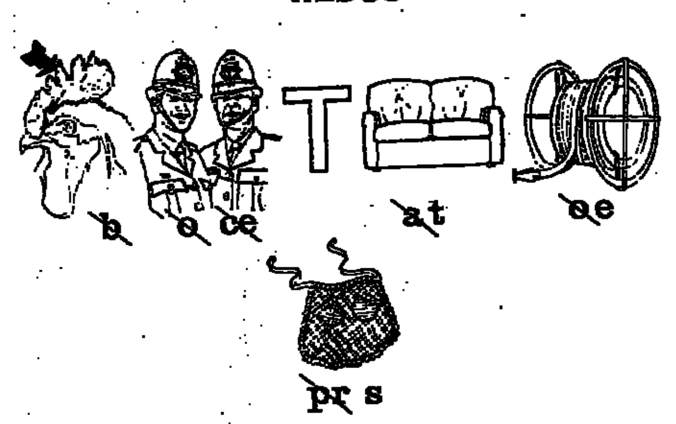
Erika Roe

(a) Gerald Tuite; (b) *Masquerade*; (c) Peter Tatchell; (d) El Vino; (e) Erika Roe; (f) Opren; (g) Sean Geraghty.
(a) Irish terrorist, recaptured after his escape from Brixton Prison.
(b) The book by Kit Williams which gave the clues to a unique treasure-hunt culminating in the discovery of the golden hare at Ampthill, Beds.
(c) Controversial Militant Tendency Labour candidate for Bermondsey.
(d) The Fleet Street wine-bar which has been compelled to allow women at the bar.
(e) The girl who went topless during a Rugby match at Twickenham.
(f) The arthritis drug banned after patients' deaths.
(g) Leader of the Fleet Street electricians' union, fined £350 for contempt.

14—Each of the following headed or is heading a committee this year. What was or is each investigating?
(a) Lord Franks.
(b) Lord McCarthy.
(c) Assistant Commissioner John Dellow.

(a) The Falklands invasion.
(b) The BR/ASLEF dispute.
(c) Security at Buckingham Palace.

REBUS



Compliments of the Season

LITERARY QUIZ

1—What type of building is suggested by each of the following? (a) Nightmare; (b) Jamaica; (c) Floss; (d) Wildfell; (e) Scandal.
(a) Abbey; (b) Inn; (c) Mill; (d) Hall; (e) School.

2—(a) Of whom was it said "Age cannot wither her, nor custom stale her infinite variety?" (b) Who hoped that his guest would not "object to an aged parent?" (e) Who was given a cravat "for an un-birthday present?"
(a) Cleopatra *(Antony and Cleopatra)*; (b) Wemmick *(Great Expectations)*; (c) Humpty Dumpty *(Through the Looking Glass)*.

3—How could the following be said to constitute a Shakespearean audience?
Tom Sawyer and Huckleberry Finn, Cicero and Virgil, and Gabriel Oak and Mellors.
"Friend, Romans, countrymen . . ." (Julius Caesar).

4—What is the connection between each of the following?
(a) an Ernest Hemingway novel and John Donne's *Devotions*.
(b) The author of *The Bell*, Charles Pooter's son and Baroness Orczy's novel.
(c) The author of *To the Lighthouse* and the author of *A Streetcar Named Desire*.
(d) The author of *Lord of the Flies*, Stevenson's pirate and a Dickens novel.
(e) Jane Austen's Abbey, a Victorian poet laureate, Tom Brown's friend and Fielding's irascible hunting squire.
(a) "For whom the bell tolls."
(b) Flowers—IRIS Murdoch, LUPIN, The Scarlet PIMPERNEL.
(c) American states—VIRGINIA Woolf, TENNESSEE Williams.
(d) Metals—William GOLDing, Long John SILVER, David COPPERfield.
(e) The points of the compass—NORTHanger, Robert SOUTHey, EAST, WESTern.

5—Who is the odd one out?
(a) Lady Macbeth; (b) Madame Bovary; (c) Miss Havisham; (d) Mrs Bennet; (e) Lady Chatterley; (f) Anna Karenina.
Miss Havisham—the others are all married.

6—What word is missing from each of the following titles?
(a) *The History of Tom Jones, a ——.*
(b) *The Life and Strange —— Adventures of Robinson Crusoe.*
(c) *Travels into Several —— Nations of the World, by Lemuel Gulliver.*
(d) *The —— of Barry Lindon, a Romance of the Last Century, by Fitzboodle.*
(a) *Foundling*; (b) *Surprising*; (c) *Remote*; (d) *Luck.*

7—By what collective name is each of the following groups known? (a) *Justine, Balthazar, Mountolive, Clea.*
(b) *Burnt Norton, East Coker, The Dry Salvages, Little Gidding.*
(c) *The Man of Property, In Chancery, To Let.*
(d) *The Fellowship of the Ring, The Two Towers, The Return of the King.*
(a) The Alexandria Quartet; (b) The Four Quartets; (c) The Forsyte Saga; (d) The Lord of the Rings.

8—What was the occupation of each of the following?
(a) Mr Bumble *(Oliver Twist).*
(b) Crichton *(The Admirable Crichton).*
(c) Mr Collins *(Pride and Prejudice).*
(d) Frank Troy *(Far From the Madding Crowd).*
(e) Mrs Danvers *(Rebecca).*
(a) Beadle; (b) Butler; (c) Clergyman; (d) Soldier; (e) Housekeeper.

ARTS

A ramified affair
BY DAVID MURRAY

Among the rewards of the Barbican Anglo-Czech series by the Gabrieli Quartet was the première of Nicholas Maw's String Quartet no. 2, given on Thursday along with the familiar quartet "From My Life" by Smetana. It made a long lunchtime concert (though perhaps that doesn't trouble City folk): Maw's work, completed only on Boxing Day, had been predicted to require some 20 minutes, but in the event it took well over half an hour. There was no reason to think the Gabrieli tempi unduly cautious—nor did the Quartet outstay its welcome.

It is cast in two movements, but as often these days that needs immediate qualification: the second movement is a ramified affair in many sections, from very slow to very fast, rich enough to serve several symphonic functions. Andrew Clements' programme-note construed it as a scherzo with two trios: in performance it did convincing duty as slow movement and substanial Finale too. Without trick effects, the string-writing sounded consistently grateful and above all lyrical—not just a matter of flowing lines but of full-blooded melody, alive with character and subtly varied. On record or tape it will surely prove addictive. One suspects that the surprising length of the Quartet is owed to Maw's finding that his material simply refused to stop singing.

The opening Allegro comodo is very much of a piece, revelling in frank tune-and-accompaniment style—with a pervasively wistful tone—and carried on a strong, personal harmonic current. By the end of the second movement the harmony becomes ripely tonal, developing from a grave prelude in pure ensemble recitative; but there is a wealth of cunningly interlocked events between, delicate scherzo-scurries and beautifully argued dialogues in song (every member of the quartet has his own rapturous verses). The expressive range is not less striking for its mostly gentle manner—distinctly English, I suppose (there is even an occasional whisper of Tippett). Nothing should prevent this Quartet from snuggling firmly into the repertoire; it will be a pleasure to pursue its acquaintance.

Arts news in brief

London Festival Ballet returns to Plymouth in February after a break of more than 20 years. The company will be presenting *Swan Lake* and *Cinderella* at the Theatre Royal from February 14-19.

★

The Tate Gallery is to hold Britain's first Cubist exhibition. *The Essential Cubism 1907-1919*, which opens on April 27, will feature the work of Picasso, Braque, Gris and Léger.

The exhibition runs until July 10.

★

Following a highly successful run at the Public Theatre in New York, Max Stafford-Clark's production of *Top Girls*, by Caryl Churchill, returns to the Royal Court Theatre on February 4 for a limited season.

Selina Cadell and Lindsay Duncan are among the cast of *Top Girls*, which examines the predicament of women adventurers past and present.

★

The National Theatre's Cottesloe production of Kyd's *The Spanish Tragedy* is to play at Bath's Theatre Royal for one week from March 21.

Textual triptych
BY DOMINIC GILL

At Thursday's BBC College Concert, recorded in the concert hall of Broadcasting House, three composers born between 1939 and 1953 dealt in three very different ways with texts which served respectively as foundation, catalyst and excuse for their music.

Die Brücke by Wolfgang von Schweinitz (b. 1953), for solo tenor and baritone with small orchestra, is a direct, sequential setting of a prose fragment of Kafka. The manner is spare, but richly, darkly coloured. There is no speech or speech-song: the two voices, mostly in rhythmic unison, follow the shape and sense of the words with careful fidelity. The vocal compass is unusually wide, from the bottom of each range to high falsetto, blending with the instruments, then surging above them. The music caught exactly the brittle, nightmare suspension — and tension — of a Kafka dream. The singers, Martyn Hill and Stephen Varcoe, and the players, the redoubtable London Sinfonietta, were very fine. An arresting piece, worth special note when the concert is eventually broadcast on Radio 3.

Vic Hoyland's *Michelagniolo*, at 26 minutes nearly twice as long as *Die Brücke*, was more problematic. It is both impressively ambitious and dangerous to attempt (or be assumed to attempt) to design a musical "portrait" of so powerful and complex a figure as Michelangelo. Dangerous, too, to follow so closely the particular style of melodrama associated with Luciano Berio. Hoyland's scoring, for solo tenor, six voices and 20 instruments, with two percussionists and two harps, and his treatment and disposition of the forces, conjures up (whether intentionally or no) too many direct Berio parallels. There is much in the score of force and charm and feeling—no page of it is without value. But it seemed to me to need fairly decisive revision and compression: more could have been said of Michelangelo, and less of Berio, in a setting, say, of a single sonnet half the length.

De Staat, written between 1972-76 by Louis Andriessen, tells of the Dutch composer's encounter in the late 1960s with the music of Steve Reich (an influence which has since proved dominant if not exclusive). *De Staat* is the sort of genial, chunky noisy systems-music that seems to last about two hours, actually lasts about half an hour, and starts to drive you crazy after two minutes. It is very busy, very long, and technically very demanding, and has nothing whatsoever to do with Plato's Republic beyond the reference in the title and the (incidental) inclusion of a Platonic text. After the afternoon rehearsal, one of the players themselves had, if not the politest, probably the most vivid last word: "I don't know which hurts most—my brain, my bum, or my ears."

Future imperfect

Radio 4's series, *Broadcasting Tomorrow*, is back on Sunday mornings to discuss with the telephoning public the shape of radio in the 1990s. This week's programme dealt with the future of Radio 4 itself. Although it has far fewer listeners than Radios 1 and 2, Radio 4's supporters are the most articulate of the lot, and the most devoted. The rumour that *BBC Radio for the Nineties*, the official paper issued over the signature of Richard Francis, Radio's Managing Director, proposed to take some features from Radio 4 and pass them to the notional Radio 5, the local and national regional network, has driven hundreds of them into a fury. I wish they had had some more persuasive members on the phone, to talk with Mr Francis and Monica Sims, the programme's Controller, and Geoffrey Cannon of the Sunday Times. But they were no more interesting than the previous entrants.

RADIO
B. A. YOUNG

Nor, I suspect, are they genuinely representative. An earnest demand that Radio 4 should retain drama came from someone who revealed himself as a writer and actor. A caller from Argyll spoke in a Home Counties voice. A London caller represented the disabled. A Teesside caller was the only serious critic; she complained that Radio 4 was too middle-class, too sexist, too London-based, too much concerned with showbiz, too little with the Soviet. I felt that this caller proved my suspicion, that anyone who calls into a programme of this kind, or writes to a newspaper, is not really a typical listener. Typical listeners, like typical travellers, shoppers, motorists, investors and the rest, may grumble constantly, but seldom complain.

Where they all agreed, except the Teesside lady, was that they wanted Radio 4 to stay exactly as it is. They also wanted the World Service back. Mr Francis was firm that the Corporation does pay attention to listeners' suggestions, and that no decisions about radio in the 1990s had yet been taken. Neither he nor anyone else, at either end of the telephone, even considered the possibility that the shape of ILR programmes might ever influence the BBC. Perhaps this may come in a future programme.

Certainly Radio 4 did itself proud that Sunday. Ian Grimble's *The 1001 Nights of Iran*, which traced the history of Iranian rule from the benevolence of Cyrus the Great to the dictatorship of Ayatollah Khomeini, gave a clearer idea of why Khomeini's government is as it is than newspaper reports ever do. From Zoroaster to the present, Mr Grimble pointed out, the Iranians are intellectuals. They may not believe literally what Firdausi said, that when the pulpit equalled the throne, men would turn away from promises and truth, hearts and tongues would be full of cruelty; but their culture is full of such thoughts. The rumour, started in 1979, that Khomeini might be the Hidden Imam of the Shia Muslims, a long-awaited holy figure, would account for the great respect with which he is regarded. This was a programme of fascinating interest.

So, on the same night, was Radio 3's first programme in a new series about India. John Keay's theme was the one-ness of the innumerable peoples of the Indian sub-continent, a phenomenon that only reveals itself under stress.

Back to Radio 4, however, which certainly shows no sign of a play shortage yet. Tuesday's Afternoon Theatre, *Under the Hammer* by Stephen Fagan, was one of the best I have heard for a long time. It is set in a picture gallery, where the author has caught both ends of the dialogue prettily, from "Bleedin' Sparks has run a cable across the scaffold to light the Soutine," to "I'm not an admirer of hessian. I thought I might be, but I'm not." The tale concerns a picture on loan from Leningrad which is damaged by the head porter after a political argument with a Lefty colleague. To make it worse, there is a suspicion that the picture may be a forgery. Jonathan Hyde at one end of the social scale, Michael Lonsdale at the other, were admirable. The director was Margaret Windham.

And, still with Radio 4 drama, on Sunday (also Friday) we had the first of two plays Elizabeth Proud has based on Stella Gibbons's *Conference at Cold Comfort Farm*. Flora née Poste has gone to Cold Comfort Farm, now converted into a conference-centre, to find all the Starkadders emigrated to New Zealand. What we have in this play is parody performances of parody characters, but I thought it a lot of fun.

Scene from 'Useful Vices'

The Amazon—via Epping
BY B. A. YOUNG

Frankly, I coudn't follow the argument of this production by Impact Theatre at the ICA very closely. The action starts in Epping Forest, where a company of four East End crooks, three men and a girl, enact a bank raid and police chase that in fact took place 20 years previously. The four are then magically transferred to a raft floating, by way of the Thames estuary, into the Amazon, where three of them became naked savages and the fourth embarks on everlasting regrets for his murder of a fellow-member of the gang, which also we see mimed. Peripherally, a woman ornithologist disappears from her Epping Forest home.

Whether I have got this right or not, I was delighted by the beauty of the production and the funny improbable nature of the gangsters' dialogue. The set (the company's own work) is a dim forest, slim trunks rising from the leaf-strewn ground. Upstage, the ornithologist's head is seen in a lighted window.

The progress of the raft-borne refugees is told in a splendid amalgam of East End talk and officialese by the three men; at this stage the girl has no function but to take flash-light pictures of whatever is going on (whatever that is). At the end, however, as the 90-minute single act comes to its reluctant end, she speaks a legend about the origin of this family of crooks that I found truly beautiful.

What upholds the narrative is the sequence of fascinating images on the stage, and the hypnotic musical score. I don't believe they aid the understanding much, but understanding is not a prime factor here. The *Useful Vices* of the title must be addiction to hallucinogens, for the whole thing suggests a drug-induced dream. It fascinated me.

Poll boost for sponsors
BY ANNALENA McAFEE

The London Philharmonic Orchestra, waiting with bated breath for news from the Arts Council on matters monetary, has received a heartening boost from its audience.

A survey, conducted at four of the LPO's Royal Festival Hall concerts, showed a resounding 87 per cent were in favour of commercial subsidies of the orchestra. "We were surprised and delighted by the high proportion of those supporting commercial sponsorship," said Rosalind Freeborn, LPO publicity officer.

Potential sponsors will also be encouraged to learn that 69 per cent of those responding to the survey (about 1,000 in all) believed that commercial sponsorship of the arts improves the sponsor's image. "This adds weight to any company thinking of sponsoring. It shows they have a ready-made audience," said Ms Freeborn.

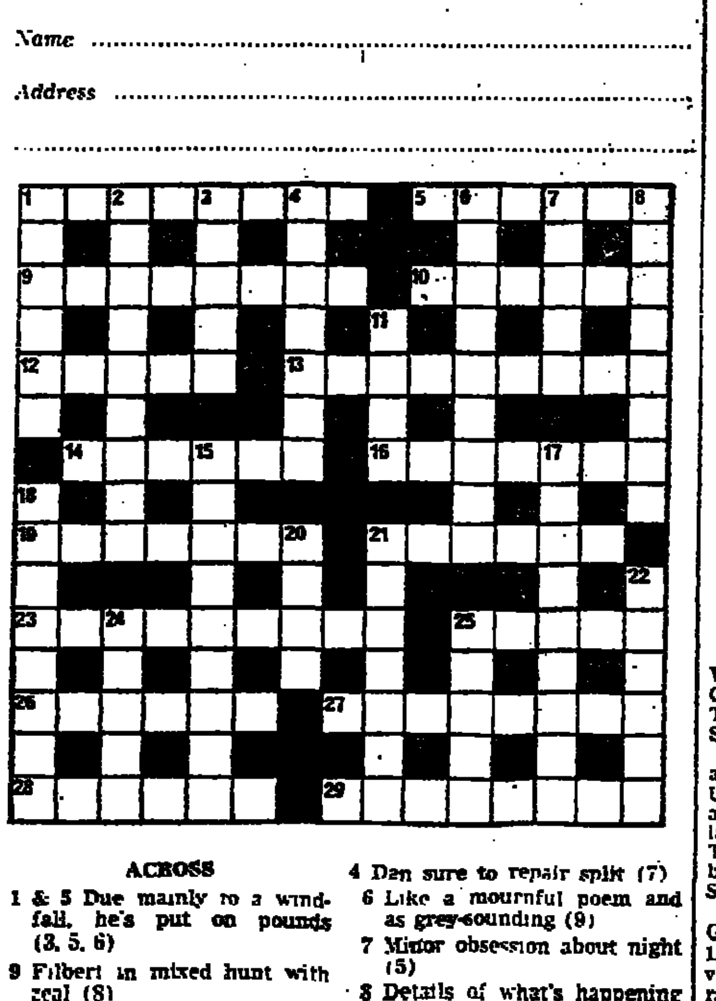
But, lest the Arts Council chooses to interpret these results too literally, it is worth noting that 41 per cent believed that government funding should be increased to help the orchestra achieve greater financial stability.

F.T. CROSSWORD PUZZLE No. 5,072

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

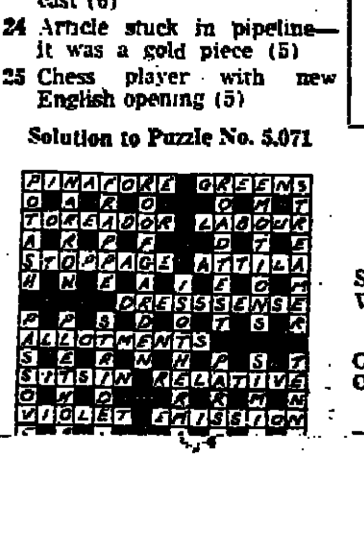
Address ....



ACROSS
1 & 5 Due mainly to a windfall, he's put on pounds (3, 5, 6)
9 Filbert in mixed hunt with zeal (8)
10 Fleet display—look again (6)
12 Iris, car will not start (5)
13 Pistol of the Bayreuth opera-goer? (9)
14 eg index frequently crossed with another (6)
16 Give various cases of falling off (7)
19 May one? Never, if Greek! (7)
21 No flowers for plantigrades? (6)
23 It is rare to be receiving tuition by university teacher (head of English) (9)
25 Value of poet short of words (5)
26 Place to settle in America ... (6)
27 ... interest taken in Watershed, North Dakota (8)
28 Tasteless raw, yet ordered (6)
29 Firm having airway and railway in Warwickshire (8)

DOWN
1 Lots of fishing in Lancing, say (6)
2 Bird, one having the edge over William (5-4)
3 Sailor ...
4 Dan sure to repair split (7)
6 Like a mournful poem and as grey-sounding (9)
7 Minor obsession about night (5)
8 Details of what's happening in films? (8)
11 Brought up as most of classic race is raised (4)
15 Father of the power-station? (9)
17 Tense, being flattened in bars (9)
18 BP's code of practice for juniors? (5-3)
20 Peach of an emporium (4)
21 Clever golfer—at home in Open going backwards (7)
22 Inferior stuff peculiar in cast (6)
24 Article stuck in pipeline—it was a gold piece (5)
25 Chess player with new English opening (5)

Solution to Puzzle No. 5,071

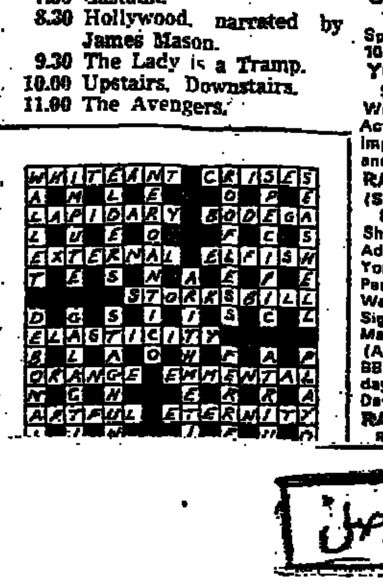


SOLUTION AND WINNERS OF PUZZLE No. 5,066

Mr John E. Brown, 22A Sewell House, Belmont Road, Winscombe, Avon.

Mrs C. E. Cartwright, 5 Park Court, Pool-in-Wharfedale, Otley, West Yorkshire.

Mr H. L. Ward, 63 All Saints ...



† Indicates programme in black and white

BBC 1

9.15 am Hold Down a Chord. 9.30 Saturday Superstore. 12.12 pm Weather.
12.15 Grandstand including 12.45 News Summary; Football Focus (12.20); Racing from Ascot (12.50, 2.00); World Cup Ski-ing (1.10) from Wengen—The Men's Downhill; Cricket (1.45) The World Series Cup England v New Zealand; Rugby Union (2.20) England v France; 3.50 Half-time Soccer Scores; and at 4.00 Scotland v Ireland from Murrayfield; 4.35 Final Score.
5.10 News.
5.20 Regional Variations.
5.25 Rod and Emu's Saturday Special with Barbara Dickson, Showaddywaddy and Nicholas Parsons.
5.55 Jim'll Fix It.
6.30 The Saturday Film: "Let's Do It Again" starring Sidney Poitier, and Bill Cosby.
8.20 The Les Dawson Show.
8.55 News and Sport.
9.10 Dynasty.
10.00 Wogan.
10.45 "The Last Valley," starring Michael Caine and Omar Sharif.

REGIONAL VARIATIONS: Wales—8.50 am Hold Down a Chord. 9.05-9.50 Soccer: The John Toshack Teach-in. 5.20-5.25 pm Sports News Wales.

Scotland—12.15 pm Grandstand as BBC1 except: 1.45-4.35 Rugby Union—Scotland v Ireland, coverage from Murrayfield and England v France—highlights from Twickenham. 5.20-5.25 Scoreboard 12.45 am Scottish News Summary.

Northern Ireland—12.15 pm Grandstand as BBC1 except: 1.45-4.35 Rugby Union: Scotland v Ireland—coverage from Murrayfield and England v France—highlights from Twickenham. 5.00-5.10 Northern Ireland Results (opt-out from Grandstand) 5.20-5.25 Northern Ireland News. 12.45 am Northern Ireland News Headlines.

England—5.20-5.25 London and the South-East: Sport; South-West (Plymouth): Spotlight Sport; all other English regions: Sport/Regional News.

BBC 2

10.10-11.15 am Open University.
†3.05 pm Saturday Cinema Double Bill: "Laughter in Paradise" starring Alastair Sim and at †4.35 "The Belles of St. Trinians" starring Alastair Sim, Joyce Grenfell, Hermione Baddeley and George Cole.
6.05 The Sky at Night.
6.25 Buongiorno Italia!
6.50 Sight and Sound in Concert (simultaneously broadcast on Radio 1).
7.30 News and Sport.
7.45 Saturday Briefing.
8.20 "Elijah," oratorio by Mendelssohn (simultaneously broadcast on Radio 3).
9.30 The Silent World.
9.35 "Elijah" (continued).
10.50 News On 2.
10.55 "Face to Face," film in four acts starring Liv Ullmann.
11.45-12.40 am The King's Singers — International with Kiri Te Kanawa and Robin Ray.

LONDON

9.05 am Sesame Street. 10.05 Star Fleet. 10.30 The Saturday Show with Isla St Clair.
12.15 pm World of Sport: 12.20 Ski-ing from Wengen, Switzerland: 12.40 On the Ball with Ian St John and Jimmy Greaves: 1.15 News: 1.20 Racing from Newcastle; 1.40 Ski-ing from Schruns, Austria; 1.50 Racing from Newcastle; 2.40 Snooker—The Lada Classic; 3.45 Half-time Soccer News and Reports; 4.00 Snooker; 4.45 Results.
5.05 News.
5.15 Metal Mickey.
5.45 Chips.
6.40 Punchlines.
7.10 David Frost 5th Guinness Book of Records Special.
8.10 Murder, Mystery, Suspense: "Midnight Lace."
10.00 News and Sport.
10.15 The Big Match with Brian Moore and Jim Rosenthal.
11.00 Snooker—the Lada Classic.
12.30 am London News Headlines followed by Continental Movie: "Loving in the Rain" starring Romy Schneider.

CHANNEL 4

2.05 am Close: Sit Up and Listen with Richard Pasco.
1.30 pm Making the Most of...
†2.00 Saturday Matinee "Enchantment" starring David Niven.
†3.45 The Emerging Chaplin.
†4.20 "La Cloche."
4.35 Password.
5.05 Brookside.
6.00 7 Days.
6.30 News Headlines followed by Preview 4.
6.45 A Week in Politics.
7.30 Gastank.
8.30 Hollywood, narrated by James Mason.
9.30 The Lady is a Tramp.
10.00 Upstairs, Downstairs.
11.00 The Avengers.
†11.55 Death in the City: "The Naked City," starring Barry Fitzgerald and Don Taylor.

S4C (WALES)

1.40 pm Shakespeare Lives. 2.05 Lucky You, Lucky Me. 2.35 The Spanish Civil War. 3.25 The Tube. ...

ANGLIA ... BORDER ... CENTRAL ... CHANNEL ... GRAMPIAN ... GRANADA ... HTV ... SCOTTISH ... TSW ... TVS ... TYNE TEES ... ULSTER ... YORKSHIRE ...

RADIO 1 ... RADIO 2 ...

Me Here, Darling, with Leslie Phillips and Jill Bennett. 1.30 Sport On 2: Racing from Ascot: at 1.35; Cricket: 1.45. 5.30 World Series Cup England v New Zealand; Rugby Union: 2.00. 4.55, 5.30 Scotland v Ireland from Murrayfield; and 2.30 England v France from Twickenham; Football commentary at 3.55; 5.00 Classified football results; 5.45 Classified racing results; 5.53 Final Pools Check. 6.00 Country Greats ...

RADIO 3 ... RADIO 4 ... BBC RADIO LONDON ... LONDON BROADCASTING ... CAPITAL RADIO ...

CHESS SOLUTIONS

Solution to Position No. 457.

1...BxP! 2 KxB (if 2 QxB, RxB; 3 QxR, Q-K7 mate), RxB; 3 QxR, Q-K7 ch; 4 K-N3, R-K6 ch; 5 QxR (or 5 K-R4, R-K5), QxQ ch; 6 K-N4, Q-K7 ch; 7 K-B4, QxQNP; 8 K-K5, QxBP ch and Black's extra pawns won.

Solution to Problem No. 457. ...

هكذا من الأصل

مكبر من الاصل

WINE/COLLECTING

The fizz steadies in Champagne

BY EDMUND PENNING-ROWSELL

IT IS WELL known that one of the unusual features of this past year's vintage in France was the enormous, and to some extent unexpected crop in Champagne: the equivalent of 290m bottles, compared with a maximum forecast of 240m. The previous record was 226m bottles in 1979.

However, before it is assumed that henceforth champagne is going to flow nearly as cheaply as the waters of the Marne—or even as tank-made sparklers—it must be remembered that 1979 was the only vintage out of the previous four that did produce more wine than left the cellars of Champagne, and that with the other three years making the equivalent of only 78m, 112m and 92m bottles respectively, there was a deficit on the eve of the 1982 vintage of about 200m bottles. In fact there was a stock at the end of the campaign year on July 31 of only 386m bottles compared with 578m in 1978.

The lower figure may still sound a lot of bottles, and visitors to the kilometres of tunnel-like cellars stacked up with bottles further than the eye can see might be forgiven for thinking that there is not exactly a shortage. But one of the great advantages that champagne has over other sparkling wines, whether or not made by the champagne method invented in the region, is quality, based on the geographical situation, soil, selection of grapes *and* adequate maturing age.

Some might call this last factor something of a disadvantage, for carrying stocks of aging wine is very costly these days. But it is generally accepted that a good blend of champagne should have an average age of three years; and at least a couple more for the vintage types. Yet such a reputable wine as sparkling Saumur, with its different situation, soil and grapes, may reasonably be sold after little more than a year in bottle.

So with only just over 2½ years' sales stock in their cellars, it is vital, for quality to be maintained, that stocks be replenished. As to prices, it seems almost certain that they will be stabilised on the export market this year, if marginally raised on the domestic one. Nor are they likely to go up much in 1984, though this must depend on the results of this year's vintage, when a good average crop will still be needed. Nevertheless, with French inflation unlikely to fall much if at all below 10 per cent a year, such price stability will mean a drop in real terms.

For the Champenois are well aware that their wine has become expensive, mostly because shortage of supplies has forced them to restrict sales, particularly on the home market that accounts for roughly two-thirds of total disposals. One moderate-sized house that I visited recently had had to cut its annual sales from a normal 500,000 bottles to 400,000, with obvious consequences to the spread of unavoidable overheads and profits. The world slump has recently cut demand too. A sale of 186m bottles in 1978 came down to about 140m bottles last year.

A further reason for the rise in prices per bottle has been the high cost of grapes, with 1.15 kilo required per bottle.

They rose from a top price of FFr 11.56 a kilo in the leading quality villages for the bountiful 1979, to FFr 23.50 in the miserable 1980 vintage, with a reduction to FFr 20 in 1981. These exceptional rises were fixed as the result in turn of special 10-franc and three-franc bonuses, in order to compensate the growers for the excessively small yields of grapes. For few made any profit in those years. Then last year a complicated formula was arrived at, which on a price of FFr 18.51 for top-quality grapes a small bonus of 52 centimes a kilo was paid to those growers having contracts with the merchants. So the highest price was FFr 19.03 a kilo.

But by no means a large proportion of the *vignerons* secured that price, and in the Aisne and the distant Aube, they only received 80 per cent of that price.

Of course, in view of the unprecedentedly large harvest, the merchants, hard-pressed to finance their purchases, now say the price was too high (it is paid in five *tranches*, beginning last month and ending next November). On the other hand all the grapes contracted to the firms were bought: a total equivalent to 459,000 hogsheads (in which the vintage is always measured, at 205 litres apiece), out of a total of 1.08m, which included 134,000 hogsheads produced from the merchant's own vineyards. The rest of the grapes were retained by the growers or the co-operatives to sell either as still wine or later as champagne.

I have seen it stated that owing to the exceptional amount of wine made a good deal of wine of "exactly the same quantity as that allowed the appellation Champagne" was poured down the drain."

This is not only incorrect but misunderstands the way in which the selection is made. The normal load of a champagne press is 4,000 kilos. This produces 13 casks or 2,665 litres. The first 10 casks constitute the *Cuvée* and are what are used in the best blends. The next two are known as the *premier taille;* and the last one the *deuxième taille.* A little of the former, which in fact is the second pressing, may be used in fine quality blends, but not the second which the *grandes marques* and champagne houses that produce wines of equal quality will sell off. Last year Bollinger disposed of all but their cuvée wines, and instead bought in large quantities of grapes to increase the amount of its high quality champagne; and so did other houses.

Under the *appellation contrôlée* regulations the normal maximum permitted yield for grapes to be made into champagne is 13,000 kilos per ha, but before last year only three in the last ten had exceeded 10,000 kilos, 1973 being the largest with 11,600 kilos. Owing to the exceptional-sized crop last year, a special increase of 10 per cent was allowed, giving a total of 14,300 kilos. But throughout the region an average of 16,300 to 16,500 kilos was made, and in some parts even more. It was this surplus that was disallowed the appellation, broadly speaking the *deuxième taille*, and its removal to the distillery raised the level of quality of the wine to be made into champagne.

What, then, will be the quality of the 1982 champagne? The large amount has resulted in a wine of somewhat lower than usual alcoholic strength, but this is not of great account in champagne.

But the acidity was also on the low side, and this suggests not a long-lived wine, and probably not a widely declared vintage one, whereas the small-crop 1981 is likely to be a vintage year. However, the traditional balance will be retained by means of skilful blending, and the fact that the 1982 is a fairly light, forward wine will enable it to be incorporated in non-vintage brands fairly early; perhaps in 1984. This is all to the good, for owing to the low level of stocks this early sale is likely to have happened anyhow.

The not-so-shy Mary Ellen

BY JANET MARSH

ANY ACCOMPLISHED young lady of the early 19th century was expected to include drawing among her talents; and Mary Ellen Best was only one among thousands of English girls whose studies with their drawing masters equipped them to turn out very competent amateur watercolours to grace the albums of their friends.

What made Mary Ellen different, though, was her delight in the minutiae of familiar everyday life. While other girls were painting the ruins of Fountains Abbey or other fashionably romantic subjects, she was more amused to sketch the cook at work among her pots and pans, the dining room all set for dinner, or a cottage kitchen.

This whimsical vision of a young Yorkshire girl gives her drawings a singular documentary fascination. They show in extraordinary detail the decoration and routine of modest country homes of a century and a half ago. The artist would no doubt have been astounded that products of her quiet pastime should survive so long afterwards. They are, in fact, to be sold in New York next week, in a Sotheby sale of old masters and 19th century drawings in which Mary Ellen is catalogued between Beardsley and Burne Jones.

She was born in Castlegate, York, where her father was a physician, in 1809. At seven, however, she was orphaned, and the responsibility of bringing her up fell upon her uncles, the Rev Francis Best and Major General Norcliffe Norcliffe. It is mostly their homes and the homes of their friends—Elmswell Hall, Howsham Hall, Langton Hall—which she drew.

Uncle Norcliffe Norcliffe appears in one of the most charming pictures, sitting in his study at Langton Hall, reading the newspaper. The multiple creases in the paper are a reminder that country dwellers relied on the mails for the London news. It also indicates that Langton was not in the grandest style of North Country houses: the Best People assigned a maid to iron The Times the moment it arrived in the house.

No photograph could give us so vivid a sense of the appointments and atmosphere of living rooms of the 1830s. Uncle's study has a sofa, mahogany elbow chairs and a pretty little chiffonier with a row of books under the shelf and ornaments on it. Mary Ellen's colouring suggests that these ornaments are not fine porcelain but earthenware in "Prattware" glazes — most likely from the local potteries.

The artist paints each picture on the wall in recognisable detail. Thirteen are visible in Uncle Norcliffe's study: apart from a Venetian view and some family portraits, there are several battle scenes which betray his hero-worship of Napoleon.

One of the odder features of the study is the sturdy table, which seems to have been thickly painted in a "marbleised" effect of green and brown. It is such forgotten details of interior decoration that make these drawings so intriguing and invaluable. These Yorkshire folk, for instance, all shared a taste for pretty wallpapers, mostly with formal floral patterns. Elaborately draped and fringed pelmets and tied-back curtains were apparently indispensable to the better rooms.

Mary Ellen's drawings suggest that wall-to-wall carpets were by this time general: only a decade or so before such houses would almost certainly have had bare sand-scrubbed boards with a few rugs over them. In some cases the carpets are protected by druggets providing walkways across them.

In general people seem to have taken care to protect their soft furnishings. Practically every piece of upholstered furniture in the rooms has loose covers in what appears to be a fairly uniform striped cotton material. We know, too (though Mary Ellen was unfortunately too discreet to show us into the bedrooms), that the best four-poster beds had cotton outer curtains to protect the decorative hangings.

Yorkshire householders clearly prided themselves on being modern, even if they did have to wait for the postman to bring the papers. Hardly a piece of furniture that appears in the best rooms can have been more than a few years old at the time. What happened to the old furniture is revealed by a watercolour of the kitchen at Elmswell Hall, which is furnished with noble old Chippendale chairs, rather saggy in the seat. They are quite unheeded: indeed the cook is using one of them to support her kneading trough.

Mary Ellen gives us wonderful glimpses of the working parts of the home — the dairy at Howsham, lined in old delft tiles, or the stone-flagged kitchen at Langton Hall. Here rows of copper pans are ranged under the cloth-covered table; a wall-dresser sags perilously under the weight of old pewter, and the walls are stacked with ladles, griddles, moulds, sieves and every possible kitchen utensil. A large joint turns on the spit in front of the fire, and the pretty cook has just removed an enormous pie from the side oven.

Mary Ellen on occasion drew, with the same meticulous attention to detail, poor cottages

SPORT

Peter Robbins looks at the first of the rugby internationals

Can England make Wales tremble?

THE INTERNATIONAL season gets underway today with England playing France at Twickenham and Scotland receiving Ireland at Murrayfield. The championship may be the ultimate collective prize but the home players have the added incentive of a Lions tour to New Zealand in summer.

The French thoroughly enjoy Twickenham. An international there has a special atmosphere. There is the civilised picnic before the match and the warm reception that visitors are traditionally accorded.

The visitor will marvel at the approaches to Twickenham with the friendly control of police and stewards contrasting starkly with the serried ranks of police not to mention the odd wagonload of special riot police outside the Parc des Princes.

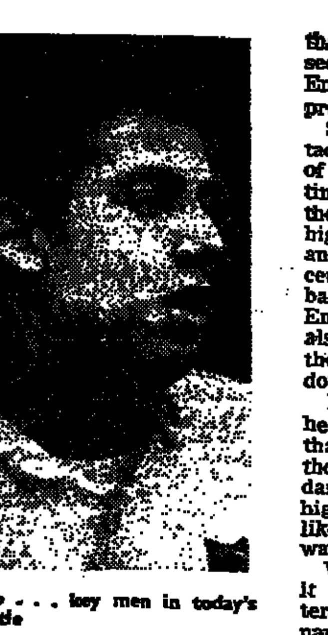
England start their campaign as slight favourites and the order of matches this year is important for them since in the last two seasons they have played away in their first match. A victory today would be a tremendous psychological boost and might even make Wales tremble.

There is no doubt that there is a far more relaxed atmosphere in the England squad with the players no longer feeling that they have to hide behind a system and no longer too anxious about one poor game.

Given good weather it promises to be an excellent game with England having the stability and control to win. There is one area of weakness but nevertheless in Scot, Smith and Cusworth, England has three astute decision-makers. Cusworth these days is so much more positive and of course in Jeavons, Scot and Winterbottom, England arguably have the best back row in the championship.

It is run close by Rives, Joinel and Rodrigues and I see this particular struggle as one of the keys to the whole game. A further vital area germaine to England's success will be the options exercised in counter attack. Mike Davis, England's coach wisely points out that his players need to give support if a brave counter attack is to be taken.

England's Colclough and Bainbridge should at the very least win their share of the ball because France's second row Orso and Condom, although sizeable, are relatively inexperienced. England may have problems with Joinel and Rodrigues at the tail of the line-out where Scot and Jeovans will have to be at their athletic best. And the England tight forwards will have to be round quickly to prevent those productive churning movements that the French originated.



England's Colclough and France's Blanco . . . key men in today's Twickenham battle

The lingering doubt is in the front row where Blakeway's retirement is a great blow. Pearce's replacement will face Dospital and Smart Paparemborde, both formidable scrimmagers. We can fully expect France to sustain great pressure at the set scrum to disrupt English possession.

This is why the loose play is so crucial with both sides, especially England, having plenty of attacking talent behind the scrum. Davies' replacement of Woodward does not diminish England's attack in any way and it stiffens the defence.

I think England will opt to play him at outside centre so that Cusworth and Dodge can simply carry on their understanding of the moves they make at Leicester. Dodge's raking kicks will also be useful from inside centre and Davies will also have only one defensive angle to cope with.

Then, of course, there is Hare who is in wonderful kicking form. He seems to be enjoying an Indian summer and produces the goods time and again. If France give away the penalties he will slot them almost mechanically.

What are the English fears? Probably the greatest is the sheer unpredictability of the French. Anyone who has played against them knows how quickly they change the impossible into the probable. They have this extraordinary facility to play the ball wide and quickly.

With Blanco, their brilliant fullback liable to turn up anywhere in the three-quarter line England's defensive pattern will have to be well organised and the tackling conclusive. Against Argentina, Blanco seemed to prefer latching on to the end of the three-quarter line but if he gets any freedom at all England have problems. Particularly as the wings Sella and Esteve are both quicker than Swift and Carleton.

These two English wings must also form a safe defensive triangle for the kicks that Hare can expect from the new cap Camberabero at fly-half.

If the French team has a weak point besides the second row it is at half back where Martinez was certainly no threat to the Argentine back row. In that match his play was very ordinary and his partner today Camberabero messed up two good attacking chances and kicked erratically.

However, Camberabero comes from good stock and his kicking will definitely be a threat. So I expect the French to concentrate their attacks up front initially and to wait for mistakes to counter-attack. France recently have shown that they finish better in the second half and any lead that England may have must be preserved very stubbornly.

So what should England's tactics be? First, the disruption of the young half-backs, Martinez and Camberabero. Next they should use Cusworth's high kick to draw in Blanco and at least one of the French centres or wings so that the ball can be worked quickly to England's backs. England will also concentrate on snuffing out the French line-out and pinning down an outstanding back row.

Rives may not be the force he was but his team rallies to that shock of blond hair as though it was some battle standard. He always sets the highest example and of course likes to play his rugby in a fluid way.

We may not see too much of it if the French pack is mastered. I would forecast a narrow win for England.

Now to the Scotland-Ireland match. The tie celebrating the Triple Crown last season is self-mockingly regarded by Ireland as a collector's item. But there may be more reality than humour behind it.

McGlochlin, last year's hero at Twickenham, is replaced by Leinster's Fitzpatrick. Ireland's pack has a wealth of experience with Orr, Slattery, Keane, Duggan and O'Driscoll, not to mention the astute brain of the captain Fitzgerald.

But there must be a question mark over the directed pace of the pack.

Ollie Campbell, the Irish fly half, has real flair. The other exciting player is Firwin returning to international rugby after his broken leg last year. These two, but particularly Campbell, could easily turn the match.

Irvine's absence is a sad blow for Scotland since he is such an inspiring player and captain. Dods, his replacement has a good temperament and a good record as a place-kicker. Almost equally damaging, if not more, is Rutherford's unfitness and with Wilson primarily a kicker the imaginative back play that Scotland exhibited last year may be affected.

Scotland's relative problems are in the second row where nobody has pushed Tomes and Cuthbertoson, who has not yet reached international fitness. But Calder, Paxton and Leslie constitute a powerful back row. I expect a narrow victory for Scotland.

Ben Wright previews a multi-million 1983 season

The glittering prizes of golf

THE 1983 season should be an outstanding vintage. Even taking into account the pound's frailty against the dollar, the Open Championship at Royal Birkdale (July 14-17) appears to have kepjt pace with the trend towards endlessly escalating prize money on the other side of the Atlantic, by offering a 20.6 per cent raise over the 1982 figure to £310,000, an increase of £53,000.

The winners' haul of £40,000 exceeds the 1982 sum by £8,000, while even the ninth place finisher will receive a five figure cheque. Admittedly, this rather pales into insignificance alongside the American Tournament Players' Championship to be contested at the Tournament Players' Championship to be contested at the Tournament Players' Club in Jacksonville, Florida (March 24-27) for no less than $700,000 with the winner taking away $126,000. Last year's winner, Jerry Pate, took home a mere $90,000 when the kitty totalled $500,000.

Thankfully, many of the original greens at the home of "Stadium Golf" as the Tournament Players' Club designed by Pete Dye is known, for its enormous artificially created "earth-grandstands" have been recontoured to make them considerably fairer, which should silence the bleating of those who failed to cope with their villany last year.

When I visited the club last week, its condition left nothing to be desired. Like most of Dye's creation's, it is quite simply a demonaical masterpiece as befits the occasion.

Is it not appropriate that the world's first $1m Pro-Am will be played in Last Vegas in September? A field of 208 professions and 832 amateurs—what a bonanza for the world's amateur bandits with their carefully nurtured phony handicaps—playing four rounds on a different day in teams of five.

The professionals who retain their sanity beyond that marathon of mediocrity will play a final round without further handicap as they will do next week, in the long established, similarly-styled crushing bore, the 90-holes Bob Hope Desert Classic.

Lastly on the financial front, American professionals will compete in 72 events offering neadly £22m in prize money, a staggering sum in view of current economic conditions. But in 1982 the American Golf Tours donated over $7m to charity, so perhaps it is hardly fair to call it all filthy lucre.

If a tear comes to your eye and a lump to your throat when the Union Jack is raised you will obviously be at Royal Liverpool Golf Club, Hoylake, on May 25 and 26 for the biennial Walker Cup in which our best amateurs will challenge the American Cup holders in an attempt to improve on a dismally embarrassing record of two win in 24 matches.

In October, (13-16) the cream of Europe's professionals take on their American counterparts at the U.S. PGA headquarters in Florida, in the just as fruitless quest to regain the Ryder Cup we last won at Lindrick in 1957. In 12 matches since, the British and Irish did manage a memorable tie, at Royal Birkdale in 1969, but otherwise the margin of American victory has rarely been anything but sickeningly convincing.

Defeat this year, in either or both contests following last year's debacle in the Curtis Cup when our women amateurs were cruelly humiliated by the Americans in Denver, Colorado, for the 12th time in success, and 18th in all, against our two wins, this time by the ridiculous margin of 13½ to 3½, should finally influence us to bring in the rest of the golfing world on our side in the future, if any of the three contests is to become truly competitive. I fancy that our amateurs might be the ones to save our faces with a victory at Hoylake, however.

During the following week, the Amateur Championship at Turnberry (May 30-June 4) will feature an experimental 36-holes qualifying competition for the first time, with the 64 lowest scorers proceeding by the traditional 18 holes match play to a 36-hole final. This will probably eliminate many a potential giant killer, but since 18-hole matches are so unpredictable, the move has to be welcomed to allow the cream to come to the top.

The thriving European profesional tour will see a lot less and America a lot more of Greg Norman and Nick Faldo, first and fourth in the 1982 order of merit. This will help such promising youngsters as Gordon Brand Jnr (7th), Ian Woosnam (8th) and several others to continue their impressive progress. But since the 12-man Ryder Cup team will be chosen entirely on the leading Order of Merit placing, the successful team of Faldo and Peter Oousterhuis, who have won three of their five matches in the series, is unlikely to survive.

The U.S. Masters Tournament (April 7-10) will not be the same without the Augusta National Club's uniformed black caddies now that the stars are allowed to import their own. But the Southern establishment could be weeping in their mint juleps if the best black golfer of all time, Calvin Peete, dons the green jacket on Sunday evening.

It could happen, since this astonishing man, with the crooked left arm, carried on last weekend, in Tuscon, Arizona, where he left off in 1982 having earned $318,4[illegible] for fourth place on the money list with four victories in his native country and two more in Japan.

Last Sunday evening, Peete led by two shots at the final turn in the Tuscon Open but uncharacteristically dropped a shot to par at both the 14th and 15th holes and missed the three-man play-off won by [illegible] Gil Morgan from Curtis Strange and Lanny Wadkins by a single shot.

Strange has now won near[illegible] $500,000 in the last two years without ever winning. [illegible] Tucson, he established a commanding lead in the Sei[illegible] Grand Prix Points standi[illegible] which could earn him another $150,000 if he is still ahead when the awards are made [illegible] New Orleans on March 20. [illegible] then Strange, may have earn[illegible] close to $1m, since his last victory in the summer of 19[illegible] and still has not won again.

The U.S. Open will return [illegible] Oakmont, Pittsburg (June 1[illegible]-19) and the one safe bet on th[illegible] years' card is that Johnny Miller's record last round there of 63, to win the event in 19[illegible] will not be threatened. Mill[illegible] also won our Open when it w[illegible] last played at Royal Birkdale [illegible] 1976 with the same aggregate of 279. But while no-one [illegible] likely to have forgotten th[illegible] teenager Seve Ballesteros ti[illegible] Jack Nicklaus for second pla[illegible] then, I would bet good mon[illegible] few can remember who w[illegible] second to Miller at Oakmont. The answer—John Schlee.

SNOW REPORTS

If weather forecasters of the UK, Europe and the U.S. are correct then this weekend should see the arrival of winter in the alps and the Eastern U.S. Recent high temperatures have been thanks to warm jet-stream sweeping north from the Caribbean. Now these have returned to a more southerly, and normal, path. Thus there are predictions of snow, and chills, for the northern latitudes. Weekend ski conditions should, therefore, be much better than the following reports indicate.

EUROPE		
Andermatt (Sw)	12-180 cm	Worn paths everywhere
Anzere (Sw)	50-100 cm	Upper slopes still good
Avoriaz (Fr)	61-107 cm	Icy on all slopes
Crans (Sw)	15- 55 cm	Worn paths on lower slopes
La Plagne (Fr)	80-200 cm	Lower slopes icy
Isola (Fr)	80-120 cm	North facing upper slopes OK
Grindelwald (Sw)	0- 30 cm	South facing slopes bare
Hochtal (Aus)	20- 40 cm	Worn patches on lower slopes
Saas Fee (Sw)	40-110 cm	Old snow on hard base
Ischgl (Aus)	10- 80 cm	South facing lower slopes icy
Seefeld (Aus)	7- 20 cm	Some fair skiing off-piste
Tignes (Fr)	15- 50 cm	Some runs good
Wengen (Sw)	5- 30 cm	Bare and icy patches
Verbier (Sw)	10-110 cm	Upper skiing good

European reports from Ski Club of Great Britain representatives. For current Scottish reports call Edinburgh (031) 246 8031.

RACING

BY DOMINIC WIGAN

MERCY RIMELL makes no secret of the fact that she believes Gaye Chance to be not only the most exciting prospect in her stable but also the best jumper she has trained so it will be fascinating to see how he fares in today's Lambert and Butler Premier Chase Final at Ascot today.

Gaye Chance is sure to start a hot favourite on this, only his fourth appearance over fences and although it may be tempting in view of the odds to find one with which to oppose him I do not recommend the search. Mercy Rimell's charge had looked a potential champion in the making at Worcester and Newcastle before, first interference and then a blunder spoiled his chances against Everett at Cheltenham last time out.

Another jumping series in the public eye today is the Philip Cornes competition for five-year-olds and upwards which, at the start of the season, have not won a hurdle race. Today's Ascot card gets underway with a Philip Cornes qualifier which has drawn Lettoch down from the north as well as strongly fancied southern-trained runners in Simon Legree and Never Deemed, trained by Gifford and Winter respectively. The Dickinson raider Lettoch should make a determined bid for a fifth consecutive victory following his Sedgefield win, but prefer the chance of the extravagant jumper, Simon Legree.

Fulke Walwyn who is, surprisingly, without a runner in the big Lambert and Butler race, can never be ignored at Ascot and his Gallaher and Midnight Fling strike me as the likely winners of the Peter Ro[illegible] Novices Chase and the closing division of the Durham Range[illegible] hurdle respectively.

ASCOT

1.00—Simon Legree
1.35—Gaye Chance***
2.10—Sheba's Boy
2.40—Gallaher
3.15—Tom's Little Al*
3.45—Midnight Fling**

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Saturday January 15 1983

Back to the real world

AFTER two calm days on the markets we may be able to turn our attention back to the problems which normally obsess us all at this time of year—what is wrong in the real economy, and how the Chancellor could put it all right if only he would take the appropriate advice in framing his budget.

There is certainly plenty to put right. Closures and redundancies continue relentlessly, from watches in Scotland to heavy steel in the North-east; the cutbacks in the motor components industry, after a year of some recovery in domestic car sales, seem to have particularly nasty implications. At the same time, we have rather too frequent reminders that redundancy at boardroom or Cabinet level has some rather spectacular compensations. One nation, forsooth!

Is this because someone in authority has blundered, or because of the world recession coupled with what Mark Twain called the awful cussedness of things in general? Three weighty circulars from the City this week blame the authorities pretty squarely.

Sweeping

The most sweeping condemnation comes from Simon and Coates, which is not altogether surprising since this broker's chief economist used to work in Downing Street for Mr Callaghan. In an analysis published yesterday, they argue that the British economy is suffering from wildly excessive deflation. If we had adopted fiscal policies similar to our OECD partners, the Chancellor would not be "giving away" £2bn or so in March, but no less than £11bn.

This argument is supported by some impressive calculations aimed to show the effect of Government policy, as opposed to the deepening recession, on the Government's financial balance since Mr Healey's last budget in 1979.

This is all very well; but as Simon and Coates's own figures candidly show, the country with the second tightest squeeze is Japan—and Japan has maintained the fastest rate of growth in the OECD. Indeed, surveying the whole list, what stands out is that although governments have pursued a wide range of policy, from severe squeeze to a mild "stimulus" in the U.S., the performance league table is pretty much what it has always been, with Japan doing best, Britain worst, and the U.S., stimulus or no stimulus, also suffering some shrinkage.

This argument would not be accepted by Morgan Grenfell, who suggest that Government policies do indeed have an impact—but through the exchange rate, rather than demand management. This line of argument certainly produces a rather more convincing league table than the fiscal analysis we have just discussed. Britain and the U.S., with over-valued currencies, have done particularly badly, Japan, with an undervalued one, particularly well. This means that this week's "crisis" was good news.

Better Government policies could prevent these accidents, the bankers argue. Domestic policy, they suggest, has strong effects on the exchange rate. Tight credit conditions—whether they result from excessive government borrowing or too tight a monetary policy—suck in funds and drive exchange rates up. Governments should change course carefully, with an eye to balance in their policies, or they will provoke exchange rate swings.

Balance

There is more to policy, however, than the broad balance. It is astonishing, for example, that neither of these learned critiques even mentions North Sea oil, which has after all had rather a large effect both on the fiscal balance and on the exchange rate.

The analyses also leave out the Government's performance as controlling shareholder in some very big enterprises. The squeeze applied through public charges, especially for energy, has been fierce, as the CBI so angrily complains, and the heavy cuts in public sector investment, when resources are lying idle, are equally hard to justify. The freeze on British Telecom charges might just be the dawn of enlightenment here; perhaps the new civil service regime at the Treasury will carry it further.

Finally, even the best-balanced policies need to be expressed in a technically adroit way; and this is where Greenwells, who revel in the most arcane questions, came in. In yea another circular out yesterday, they accuse the Bank of England of mismanaging both exchange market intervention and interest rates.

Movements

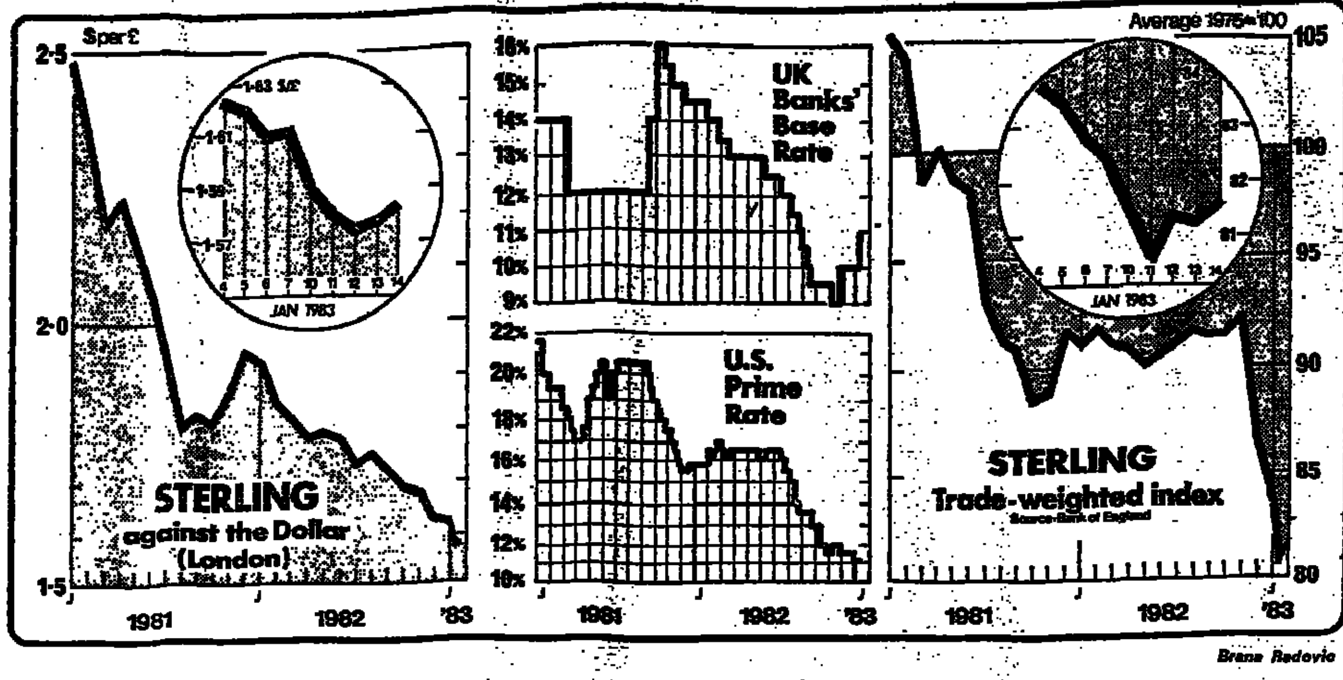
Briefly, they argue that "smoothing" interventions by the Bank which do not check market movements simply waste reserves and undermine confidence; the Bank should reserve its fire until it can move the market and mount a bear squeeze. In interest rate markets, attempts to hold rates purely through the seven-day market squeeze bank profits, and spur rises in base rates.

The good news is that these tactics have been changed while the Greenwell analysis was still running through the duplicator, with less smoothing and a large promised injection of cash. The authorities may be cross with their critics; but if they nevertheless respond to well-informed criticism, policies can improve.

THE POUND UNDER PRESSURE

An attack of market jitters

By Max Wilkinson, Economics Correspondent



Brana Radovic

MRS THATCHER'S treatment of the financial markets on Thursday, when she told them to stop being so silly, appears to have been remarkably successful in steadying sentiment in the pound after its steep fall earlier in the week.

Foreign exchange dealers have not always responded as sympathetically to a Prime Minister's attempts to inspire confidence in the pound; indeed, they have frequently regarded any such attempt as a sign of weakness.

However, the impatient and rather dismissive tone of Mrs Thatcher's reported remarks appears to have caught the mood of the markets just right.

Sterling steadied immediately with even a modest recovery in London yesterday after the big slide on Monday and Tuesday, and the gilt-edged market emitted an almost audible sigh of relief with gains of £1 or more for all stocks.

The major change in the markets' mood about sterling started in mid-November—as part of a general perception that the dollar and pound had become overvalued, particularly against the Deutsche Mark and yen.

Some dealers were also confused about whether the Government wanted to see the pound fall. This was compounded by the publication of the Labour Party's economic programme which called for "a substantial drop in the exchange rate" and backed up its suggestions with a simulation of a 30 per cent devaluation over two years.

With an election already on the horizon this statement was enough further to unsettle the markets which began uneasily to contemplate—however faintly—the prospect of a Labour victory and the re-imposition of exchange and other financial controls.

Although the confusion between the Government's and the opposition views was quickly cleared up, the markets began to focus upon the Government's November forecast of a deteriorating balance of payments position, the possible adverse effects of a weakening of oil prices and some anxiety (which proved ill-founded) that the U.S. Federal Reserve Board might revert to a tougher line on interest rates.

For a fortnight, the UK authorities watched sterling slide from \$1.65 to \$1.58, while sharper falls against Continental currencies helped to lop a total of 5.3 per cent off its trade-weighted value.

The pound stabilised when money market interest rates rose, prompting Barclays Bank to raise its base lending rate, and the Bank of England moved its lending rates into line.

However, since then it has been persistently weak, with an accelerating decline in the early part of this week.

There are many views about the main impetus behind this week's difficulties, but dealers generally believe that the calmer trading yesterday was largely a response to the Prime Minister's remarks and the ruling out of an early election.

However, there is considerable evidence that other important factors have helped cause sterling to lost 12 per cent of its value since the beginning of November.

Mr John Astbury, head of the Chemical Bank's treasury department in London, believes that most of this week's selling was not speculative, but resulted from expected outward movements of capital, which were merely accelerated by election jitters.

"Then once the movement became large enough to attract popular Press comment on Tuesday we had a classic case of leads and lags with commercial companies delaying purchases of sterling until the last minute and buying other currencies earlier than they would otherwise have done."

For the Government the slide started to look worrying, in spite of the studied calmness of the official reaction and the Bank of England's refusal either to buy sterling or to force up interest rates.

The Government's dilemma was to avoid damaging its anti-inflation policies by allowing a too precipitate slide in sterling, but at the same time not to jeopardise the chances of economic revival by a substantial rise in interest rates.

In the six weeks before the Christmas break, the authorities tried to hold the line by spending more than \$1bn of the reserves in defence of sterling. This is small compared with the \$6bn (at today's prices) which was spent in six days in 1972 or the \$1bn a month spent by the French Government in defence of its currency on average last year.

However by the end of last week the Bank appears to have realised that it was facing some heavier artillery in the foreign exchange markets; so to avoid simply wasting reserves it seems to have made a tactical withdrawal.

As the Bank watched sterling slide, while grimly holding its money market dealing rates at 11 per cent, there was a general sense of a policy vacuum, accentuated by the Prime Minister's absence in the Falklands Islands.

It was letf to Barclay's Bank again to take the lead by riding in late on Tuesday with a one point rise in its base lending rate to 12 per cent. The Bank of England was put in the rather undignified position of following Barclays upwards the next day.

This series of manoeuvres, which closely followed the pattern of November, may have pleased some people in the Treasury because it shifted the onus for raising interest rates on to "the market."

However, it is clear that the market was to some extent anticipating the authorities' probable action, and the Bank of England has come in for some strong criticism from certain analysts for failing to give a decisive lead.

Greenwell, the brokers, say in their influential Monetary Bulletin, for example: "In the foreign exchange markets the authorities' tentative interventions have brought them the worst of both worlds and have prolonged the period of sterling's adjustment to its previous over-valuation."

Has sterling now settled at a new natural level? There does seem to be something of a consensus among dealers that the current trade weighted value of sterling—at around 80 (1975=10)—is about right. If the dollar resumes its downward path and the Japanese Yen and the D-Mark continue to strengthen, the effects on the pound could be fairly welcome to the Government.

Some recovery against the dollar could limit the increase in the sterling price of oil and other commodities, while a weakening against the German and Japanese currencies would help the competitiveness of British manufactured goods.

One of the main arguments used in Whitehall to suggest that the six-week fall of sterling may now have levelled out is that the current account surplus on the balance of payments is now looking significantly better than was suggested by the Treasury's November forecast. At the same time it is pointed out that capital outflows from the UK have been declining.

As Dr Bill Robinson of the London Business School said: "I think the only thing that could drag sterling into some sort of black hole would be a much faster economic recovery in the UK than elsewhere. That could worsen the current account position and frighten the markets, but otherwise I do not believe the markets will depart too far from fundamental considerations and these suggest to us that sterling is now at a reasonable level."

UK industry: a double blow to fragile hopes

THE PAST week has not been a good one for confidence of British manufacturing industry. Just at a time when some companies had begun to wonder whether they could modify last summer's gloom, there has been the doubleshock of a second increase in interest rates in a couple of months and yet another batch of redundancies in the hard pressed West-Midlands engineering industry and elsewhere.

At least for a time, this has shaken some of the optimism created by the 12 per cent fall in the trade weighted exchange rate since early Nowember, the spin-off of the boom in consumer products and hopes for a recovery in the U.S. economy.

It is too early for most companies to have reaped much benefit from the lower pound although many acknowledge that the falls against European currencies and the Yen are a considerable potential bonus. Many are now calling for stability rather than further falls so that they can plan ahead. Several echo the view of one engineering company chairman who is more interested in seeing the U.S. economy pick up and said: "There's not much point in a dollar rate of 1.57 if the market doesn't want any goods at all."

Few companies are seriously worried by the financial impact of Wednesday's 1 per cent increase in iterest rates. But they are concerned that the downward trend may have been reversed. "It's not the actual rate that matters so much as the belief that the rates are steadily going down,' says Mr Alex Masters, chief executive of CompAir.

But the events of the week have served to reinforce the view of many senior executives in manufacturing companies that cutbacks and redundancies will continue well into 1983, especially in the north-west and west-midlands.

Liquidity is worsening in many companies which have now faced almost three years of persistenly low profit margins and demand. Few companies in the engineering industry—especially those involved in automotive products and capital goods—expect any upturn in the coming year and most are envisaging a bumpy ride into 1984.

Mr David Probart, chief executive of W. Canning, a Birmingham-based process plant, chemicals and metals company, reflects the views of some businesses which are more optimistic because they believe they have sorted their affairs out well and because the country is escaping the disastrously bad weather of a year ago. "We feel slightly encouraged," he says.

But he adds, significantly, "I think this year people will find it difficult to plan for the future. Customers' needs are so hard to assess and their requirements change frequently."

A gloomier view comes from Mr Eric Swainson, managing director of the IMI metals group who says: "I don't think there has been a significant change since last summer." This is echoed from the chemical industry by Sir Freddie Wood, chairman of Croda: "There has been no detectable improvement in business since last summer."

At the other end of the scale, companies in areas such as electronics and domestic appliances are continuing to be extremely optimistic, hoping that their sharply increasing demand will not now tail off into a post-Christmas lull.

Mr Keith Miller, chairman of Thorn Domestic Appliances, has for example, switched from being deeply gloomy a year ago about the prospects of his Kenwood company. He feared his industry was entering a second recession. Now he says "things are appreciably better — the changes in the pound have already helped exports."

However, most companies are as yet getting little practical help from the lower levels of sterling although they are more optimistic for the late spring. Many chief executives are now receiving reports from their experts which examine the alternatives of lowering prices in a bid to obtain more overseas orders, allowing distributors to increase their profit margins, or taking the extra protfis themselves.

Companies closer to the consumer benefit more quickly than those producing capital goods from a drop in the value of sterling and the impact is faster on price levels than on order books.

The impact on imports can be even slower. Companies involved tend to hold their prices and absorb the change in the exchange rate in their margins for a time before deciding whether to raise UK selling prices. Some UK manufacturers now hope that a number of their foreign competitors will be driven away.

But they acknowledge that such calculations are complicated by the still deteriorating international scene. Several companies which last summer were bemoaning the impact of economic problems in the U.S., Germany and France say they have now been hit hard by Australian recession.

British UK industrialists are pinning many of their hopes for the next few months on a recovery in the U.S. If that were to happen and if there was stability in interest rates and perhaps a slight further decline in the value of sterling against European currencies, then optimism might begin to recover. But for the time being, while one can detect the first indications of that optimism, it is still extremely fragile.

John Elliott

Letters to the Editor

Design

From Mr P. Gorb

Sir,—Your timely and comprehensive article on design (January 7) identifies the biggest task for those interested in promoting design by changing the attitudes of senior management in industry—John Butcher's words.

This is the task I have set myself and in tackling it I have run across some significant problems. The first is that a great deal of the information we have is anecdotal and unsupported by facts which enable us to quantify the profit contribution that design can make. The methodology for tackling information gathering of this kind is available, but it is important to do the work as soon as possible.

British businessmen will change their attitudes if the polemic is supported by hard fact. This means that the Department of Industry's "Design for profit" campaign will need to be followed up if it is to have lasting effect. It is important therefore that all the initiatives so comprehensively described in your paper should not be inhibited by lack of resources.

The second problem I am encountering is the tendency to identify design exclusively with the products of manufacturing industry. It is important to recognise that design is pervasive. It is of course concerned with products, not only for those who manufacture them, but also for those who specify them (for example retailers) and also for those who make use of them as business tools. This last category includes every service industry as well as every manufacturing industry.

For those users the products comprise everything in their environment—their buildings; machine tools; equipment and physical infra-structures and the whole of their information systems from their computer print-outs to their sales promotion literature. In every one ... important contribution to make to corporate performance. We need to be sure that that contribution is available to the vast and rapidly growing service.

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Names

From Mr P. Hollyoake

Sir,—With regard to the News Summary item headed "Name dropping" (January 10), I sympathise with the East Midlands Airport Authority in having drawn a £10,000 blank in their search for a new name encompassing the airport's associations with Derby, Leics., and Notts. I put it to the East Midlands Airport Authority, having full regard for beauty and brevity, that the complete answer is Delano Airport.

Percy Hollyoake,
Church Farm House,
Field Dalling, Norfolk.

Money

From Mr A. White

Sir,—Frequently, we are reminded by media and other information sources that the reasons for sterling's weakness inter alia is because of lower oil prices; worsening balance of payments position; possible inclusion of the currency in the "EMS" and more recently the Labour Party's views on abolition of exchange control and the "Shore factor" (30 per cent devaluation).

In my opinion, the root of the problem can be traced to a major world market known as the Eurocurrency market, which had its beginnings in the early 1950s. By the end of 1973 it had grown to \$315bn and the figure as at June 1982 equals \$1,900bn.

Banks and multinational companies in major European countries, the Bahamas, Bahrain, Cayman Islands, Netherlands Antilles, Panama, Canada, ... pore can sell sterling short, knowing that they can either borrow back their short positions in the Eurocurrency market or execute short date swap transactions in the foreign exchange markets to square their books.

So long as this gigantic pool of money remains "free of controls," then, speculation will continue to take place at a price, always to the disadvantage of the currency under pressure on the day.

A. M. White,
Capital Financial Services,
3, Albion Buildings,
1, Back Hill, EC1.

Commissions

From the Managing Director
Premium Life Assurance Co.

Sir, — I refer to the article by Eric Short on life assurance companies' commissions (January 4) and in particular to his contention that the consumer stands to lose, which I believe is an oversimplification of the position.

The Life Offices Association commissions agreement has contained an anomaly in that the same rate of commission has been paid to both introducing agents where the company itself has incurred considerable additional sales costs and full servicing brokers. In the main the offices which did not subscribe to the LOA commissions agreement concentrated on the latter type of intermediary. Because this type of intermediary did not require high expenses in addition to commission these offices have been able to pay higher commission to these intermediaries. At the same time companies marketing their policies in this more efficient manner incur a lower total selling cost than would be the case of an LOA office paying the LOA scale of commission to an introducing agent. In this way the offices have often been able to offer a better, not worse, deal in terms of value or cost of policy to the consumer and at the same time ... independent intermediaries who do the full broking job.

If the outcome of a commissions war means that substantial differential commissions are paid to full servicing intermediaries, then this should encourage the development of this type of intermediary and the net effect at the end of the day could be that there is no increase in the acquisition costs of the companies as a whole.

This, of course, would be good news for the consumer, though not so good news for the large number of life inspectors at present employed by LOA companies to generate business from less efficient sales outlets.

Peter Connor,
Premium Life Assurance Co.,
Eastchester House,
Harlands Road,
Haywards Heath, Sussex

Myth

From Mr T. Shortt

Sir,—I suppose it is a measure of the seriousness of your newspaper that the only clear-cut mistake I have ever found over many years is the article on December 11 in which you erroneously state that Butch Cassidy and the Sundance Kid were killed in Bolivia. This popular myth is erroneous as Mr Cassidy died in an old folks home in the 1930s in the U.S.

T. Shortt.
Petroquimica Espanola,
Calle de Orense, 68,
Madrid-20.

Pensions

From Messrs P. Massey
and S. Bayliss

Sir,—Apropos of your December 29 article reporting on the discussion paper which the Institute of Directors has submitted to the Chancellor.

Our experience would support the IoD's comment that many companies, while providing opportunity for employees to make additional voluntary ... pension, "fail to promote the fact actively."

Readers might be interested in knowing the often remarkable effects that can result from actively promoting the availability of the AVC option. Before an active communications effort is mounted, a typical level of take-up of the AVC opportunity is about 5 per cent to 8 per cent. After an active communications drive (not a selling drive!) the figures often go up to the 30 per cent to 50 per cent range, depending very much on the age structure of the pension scheme members.

Paul Massey,
Stuart Bayliss,
Towers, Perrin Forster and Crosby.
110 Jermyn Street SW1

Schorry

From the Chairman
Mackintosh International.

Sir—What a schame that, in my letter about the transistor anniversary (January 4), the editor schould (twice) have schoved a surplus "c" into my (correct) spelling of Prof. W. Shockley's name. Is this inflationary tendency, I wonder, a symptom of the Silicone Society?

Dr Ian M. Mackintosh,
Mackintosh House,
Napier Road, Luton

Dissipation

From the Business
Advisory Officer,
Merseyside Chamber of
Commerce and Industry

Sir,—I was interested to read (January 8) the letter from Professor D. Myddelton of the Cranfield School of Management about his views on "dissipation."

If we all enjoyed dissipating our income as he does we would soon have no need for managers and therefore no need of the Professor, or the school of management. It would be interesting to know how many people who work for British ... National Coal Board have been through the Cranfield courses.

T. A. Brooke.
1 Old Hall Street,
Liverpool.

Books

From the Director,
National Book League

Sir,—Your very interesting and accurate report of the state of children's book publishing (December 29) errs only in its implication that the severe drop in the sales of children's books may be connected with the rise of TV and video games. The two principal factors in this apparent decline are that there are many less children than there were 10 years ago because of the falling birth rate and that while the sales of hardback children's books have declined, more paperbacks are being sold.

Before readers become too easily convinced about this decline, it might be worth mentioning that there are over 6,000 school bookshops in the UK (a decade ago there were only a handful); and that these now account for a seven figure turnover.

The pattern may be changing and the birth-rate declining, but the future is far from black. The conclusion of Gay Firth's article mentions some of the steps already being taken to safeguard this important market. Others are on the horizon.

Martyn Goff.
Book House,
45, East Hill,
Wandsworth, SW18

Reforms

From Mr M Layton.

Sir,—If public opinion now dictates fuller participation of trade union members in the affairs of their unions, can it be long before Mr Tebbit detects a similar desire for participation by employees in the affairs of companies? Would he legislate on that too?

M. O. Layton.
24 Leaside Avenue, N10.

مكبرا من الاصل

Antony Thorncroft reports on the Arts Council following the controversial appointment of a new secretary-general

Two characters in search of a shake-up

THE POWERS that be in the arts world, Mr Paul Channon, the Minister for the Arts, and Sir William Rees-Mogg, chairman of the Arts Council, have had their way and the new secretary-general of the Arts Council is to be Mr Luke Rittner, the 35-year-old director of the Association for Business Sponsorship of the Arts (ABSA).

It is odd that the 20-strong council, which governs the organisation, originally rejected Mr Rittner. A month ago they were persuaded by some of the Arts Council staff, including senior executives, that Mr Rittner, who left school at 16 with three 'O' levels, was to young, too inexperienced, and too academically light weight to take on the key role in distributing government aid to the arts, aid which will amount to £93.5m in 1983-84.

Both senior officials and the strongest union at the Arts Council, ASTMS, which claims more than half the 200 staff as members, held emergency meetings on the day Mr Rittner was expected to be first selected, and the weight of feeling against him persuaded the council to turn down the recommendation of its own selection committee.

One critic of his appointment in the Arts Council gave his view: "it is not really his education, or politics or personality, but his lack of experience—limited to two jobs in Bath and no knowledge of London—lack of standing in the arts world, and lack of experience in running a £90m operation." However, no resignations are expected now that the council has appointed him at the second go and there are seven months before he takes up his appointment for the two sides to sink their differences.

But Mr Rittner has made a great success of ABSA, whose task is to reconcile business and the arts in the hope that companies will sponsor artistic events. He has been largely responsible for the growth in arts sponsorship by industry, which exceeded £7m in 1982. During his seven years at ABSA its membership topped 100 companies, and business sponsorship of the arts grew ten fold.

Since the Government is keen to develop two paymasters for the arts—corporate and private sponsorship on one hand, state aid on the other—it has acknowledged Mr Rittner's achievement by backing him for the Arts Council job. The fact that be has been a Conservative councillor in Bath, and that the secretary-generalship of the council has traditionally been a

> His age was also an advantage. Sir William believes that a young man will help to dispel the Arts Council's public image as a rather fuddy-duddy institution

political appointment, was a factor in his favour. His age was also an advantage. Sir William believes that a young man will help dispel the Arts Council's public image as a rather fuddy-duddy institution, an image which is not entirely deserved. It has been making great efforts to broaden its operations over the past few years.

The council was set up in 1945 as an independent body with the task of deciding which arts organisations (and individuals) in the UK deserved help from an annual Government grant. There are currently around 1,200 beneficiaries, ranging from the Royal Opera House, Covent Garden, which is receiving £9.5m this year, through regional theatre companies like the Bristol Old Vic which gets £400,000 in 1982-1983, down to bursaries to individual writers, sculptors, and artists who might receive anything from £250 to over £5,000.

In recent years the Arts Council has been switching its resources away from London, and the four big national companies which receive around 27 per cent of the expenditure, and towards Scotland, Wales, and regional arts associations. Community and ethnic arts is another area of growth: the council has just given £5,300 to the Steelband Association of Great Britain to enable a drum maker to learn the latest techniques in the Carribean.

Initally Mr Channon wanted a businessman to succeed the current secretary-general, Sir Roy Shaw, when he retires in the summer. But with few qualified applicants Mr Rittners' experience with ABSA made him an obvious alternative for the £27,000 a year job. The new chairman of the Arts Council, Sir William Rees-Mogg, who has been much more visibly active in the six months that he has held the position than his predecessors, also favoured Mr Rittner as an ally in his aim to shake up the council. The problem of Mr Rittner's age—in theory he could be secretary-general for 30 years—has been settled with the understanding that ideally he will serve two five-year terms, one to sort out the problems and lay fresh foundations, and the second to confirm the new direction.

He joins the Arts Council at an exciting time. As well as Sir William Rees-Mogg and Luke Rittner at the top, Sir Roy Strong of the Victoria and Albert Museum, has joined the ruling council to keep an eye on fine art—and he plans to ginger up the sector—and the largest of the council's specialist panels, drama, also has a new non-executive overseer in Mr Tony Church. The executive post of head of drama is vacant

Mr Luke Rittner: a regionalist rather than a London person — Hugh Routledge

and this week music, the other key sector, lost its director.

The Government, or rather its Minister for the Arts, Mr Paul Channon, has also done his bit, and more, by negotiating a 7 per cent increase in its grant, to £92m, for 1983-84, as well as persuading Mrs Thatcher to approve a supplementary £5m to be spent before March 31 in clearing away most of the deficits of the council's clients.

Sir William believes that the £5m solves the first of the problems that faces the Arts Council in establishing once and for all the financial base of the four big national companies—the Royal Opera House, Covent Garden, the National Theatre, the English National Opera, and the Royal Shakespeare Company — the traditional centres of excellence in British artistic life. They are to receive £1.75m of the £5m, which will wipe out their accumulated deficit. In 1983-84 they will share £25,135,000, which is not quite a 10 per cent increase on 1982-83, nor perhaps as much as they consider they need, but sufficient to keep them usefully in business.

With the extra money the companies will be better able to tour the country, which pleases the Arts Council and meets some of the criticism from the regions that London-based companies receive a disproportionate amount of council cash. Covent Garden's opera performances in Manchester in the autumn are now secure; the ENO is to visit Plymouth; and the RSC will be able to resume its tours of small towns. As a *quid pro quo* for the additional cash Treasury experts will examine the husbandry of the RSC and Covent Garden.

But, Sir William also believes that the council should put yet more emphasis on the regions. This was an important reason for Mr Rittner's appointment. "I am a regionalist rather than a London person," he said this week. "We must have the centres of excellence but what is going on elsewhere is just as important."

Much of the money for regional arts goes through the regional arts associations, which are to be funded by the Arts Council to the tune of £10.43m in 1983-84. In addition the Arts Council aids directly the leading provincial orchestras, such as the Hallé, and the top regional theatre companies, such as the Manchester Royal Exchange.

The greater emphasis on the regions will be reflected in the distribution of the 1983-84 grant. Clients will know their aid within the next few weeks and touring activities will receive 10 per cent more. Certain regional companies will also get a 10 per cent rise, as will the dance sector, with the aim of supporting contemporary dance which has built up big audiences throughout the country.

Other areas favoured in the forthcoming allocations which reflect the interests of Sir William and Luke Rittner are literature and education. In the past the Arts Council has placed little emphasis on its task of educating audiences, in particular young audiences, in the arts. In 1983-84 education gets its own allocation of £85,000. The literature panel, which failed to spend all its grant this year, is being pushed by Sir William to put more emphasis on English classics. Individual writers may receive fewer bursaries from the Arts Council in the future and that goes for individual artists and playrights as well.

"I want to throw the windows open," says Sir William of his responsibilities at the Arts Council. "It is time to throw everything up in the air and see how it settles," says Mr Rittner. "If someone says 'we've always done things like that' it is like a red rag to a bull as far as I'm concerned."

The new duo seem to be radical conservatives. They both favour community arts and ethnic arts (another area to get an above average cash increase); they want the Arts Council to be more accountable to the public which, through its taxes, pays for it. "I support the man in the stalls who has paid for his theatre ticket as much, or more so, than the actor on the stage," maintains Sir William.

Neither man has much time for complaints that the Arts Council supports too many left-wing drama groups. "The arts must be allowed to experiment," says Sir William. "If people are so uncertain of their view of things that they think that one play can overthrow the system I am sorry for them," says Luke Rittner.

Usually after its battle with the Treasury for its grant the Art Council's year enters a quiet period. This is unlikely in 1983. In its regional policy it faces battles with Mr Tony Banks, the busy chairman of the GLC arts committee, who wants to do a deal with the Arts Council, taking on its small London clients, which are currently financed through the Greater London Arts Association, in return for giving up GLC support for the National Theatre and the ENO. The Arts Council prefers to maintain the current mix of paymasters and is also wary about proposals for the GLC to take over the Hayward Gallery on the South Bank and the Serpentine Gallery, although Sir Roy Strong is known to be dubious about the recent contributions of the two galleries to the artistic life of London.

But the biggest fight will be with the Government next autumn. There will be no supplementary £5m in 1983 and, after some years of fairly generous grants, unless there is an election looming next December, the Arts Council could face a cash crisis at last. As it is, its 1983-84 grant is £10m short of the council's expressed needs.

Sir William Rees-Mogg has reversed his plans to weed out some of the council's less worthy clients because he does not want to increase unemployment in the current recession but, instead, some companies will receive 5 per cent or less extra in 1983-84. The likely outcome is a safer repertoire, plays with fewer characters, less experiment. But while the recipients of Arts Council money anticipate 12 months of careful husbandry all the early signs are that the Arts Council as an institution faces a tumultuous time.

Weekend Brief

The Yorkshireman behind Mrs Thatcher

Television viewers of Mrs Thatcher's "yomping" around the Falklands saw her accompanied everywhere by a ginger-haired, ruddy-faced man. The omnipresent shadow was not a detective, though he has the build for the part, but Mr Bernard Ingham, her Chief Press Secretary, and the voice of Downing Street.

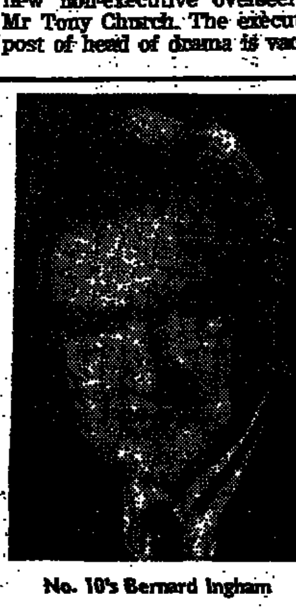
Ingham, who has been with us since 1979, was in many ways a curious choice. His early background was in the Labour Party in Yorkshire, and in journalism for 18 years as a labour (or industrial relations) correspondent. In those days he already had a reputation for bluffness and spikey northern sense of humour.

For example he once recalled to a trade union conference the days when he was on The Guardian and was sent to cover a pit strike. "Driving up to the picket line in an old banger, held together with string, and wearing corduroys and a well worn sports jacket with a copy of my newspaper sticking prominently out of the pocket, I was greeted by the chief picket saying: 'Watch it lads, here comes t'capitalist Press'."

Later he was brought into Whitehall from the Prices and Incomes Board by Mrs Barbara Castle, and was then moved to a number of information officer posts before being responsible for the subject of energy conversation at the Department of Energy in the late 1970s under Mr Tony Benn.

Mrs Thatcher had never met him until he was appointed her Press Secretary, which was made on the basis of his general standing as a Whitehall Press Officer.

Since 1979, he has built up the reputation as a loyal and pugnacious advocate of the Government's position. He defined his own job in evidence to the Commons Defence Committee during its inquiry into the handling of information in



No. 10's Bernard Ingham

the Falklands conflict. He said: "Information officers, as servants of policy, sought to secure the Government's objectives, while at the same time preserving their integrity and longer-term effectiveness."

Unlike the spokesmen of other governments, he is generally anonymous, since his main outlet is the twice-daily unattributable briefing given to parliamentary lobby correspondents. As the BBC Panorama programme on the "lobby" showed last March, the resulting reports in papers never refer to Mr Ingham by name. Instead, indirect formulae are used, such as "Whitehall officials" and "the Downing Street view." All this is, no doubt, baffling to the reader, and is dependent not only upon the reader's trust in his newspaper but also upon the lobby correspondent's trust of Mr Ingham and his colleagues.

Mr Ingham is certainly no faceless conduit of the Prime Minister's views. He has the distinctive style of a bluff Yorkshireman who occasionally explodes when faced with more than usually obtuse or persistent questioning. With such a talkative Prime Minister, Mr Ingham's role is not to leak news of major developments—perish the thought—but to provide day-to-day background information. He told the Defence Committee that, while he was accused frequently of making all sorts of statements, "I do not volunteer a great deal, but there is a lot dragged out of me."

Many correspondents reckon that Mr Ingham releases little which he does not intend to do. But in a world of unattributable briefings and government secrecy, both correspondents and readers will have to wait for 30 years until the official records are released to judge what really happened.

Economic Diary

TODAY: Mrs Margaret Thatcher attends Conservative trade unionists' conference at Colston Hall, Bristol. Gulf Co-operation Council meets in Bahrain.

TOMORROW: Mrs Margaret Thatcher appears on "Weekend World" TV programme.

MONDAY: Provisional retail sales figures for December. EEC agriculture council meets in Brussels (until January 18). FT Conference on "New challenges for the accountancy profession" at Inter Continental Hotel, W1 (until January 18). Commons resumes after Christmas recess. Start of BBC's breakfast television. Lloyd's committee meets to discuss the case of Mr Ian Posgate. MSC makes statement on youth training scheme. Water workers to discuss industrial action over pay claim.

TUESDAY: Provisional November index of industrial production. Diamond Jubilee policy conference of the National Association of Pension Funds at Royal Lancaster Hotel, W2. Finance Ministers from the main industrialised nations meet in Paris.

WEDNESDAY: Indices of average earnings in November. Indices of basic rates of wages in December. New construction orders in November. Industrial and commercial companies capital account and net borrowing requirement (third quarter). FT Conference on "International property markets" at Inter Continental Hotel, W1 (until January 20). CBI makes statement.

THURSDAY: Cyclical indicators for the UK economy (December). Preliminary estimates of consumers' expenditure (fourth quarter). Public sector borrowing requirement and details of local authority borrowing (fourth quarter). NFU makes statement. British Shipbuilders' plans for cutting its workforce will be put to a special delegate conference in Tynemouth. SDP/Liberal Parties stage rally at Central Hall, Westminster.

FRIDAY: Retail prices index for December. Tax and price index for December. Arab League meeting in Morocco to discuss delegation row with Britain.

Laurel and Hardy of baseball

"THE KID is back," Mr George Steinbrenner, the big, burly, bullying owner of the New York Yankees, announced this week. He had just hired for the third time in eight years Billy Martin, the highly excitable baseball coach, with the looks of a weasel, to manage the venerable New York baseball team again. It was, for New York at least, the most significant news of the week.

Mr Rupert Murdoch's New York Post had the story all over the front page and on two-thirds of the back page. The New York Times carried the story the morning after with due prominence on the front page.

The return of Martin—whose real name is not Billy but Alfred and who is 54 despite a deceptively youthful mostache —also marks the return of the most popular two-man act since Laurel and Hardy. By re-hiring Martin, Mr Steinbrenner claimed he was seeking to turn the Yankees into a winning team again. But Mr Steinbrenner is clearly also seeking to restore a little show business glitter to a team which was the cause of much pain and disappointment to fans last season.

Indeed, at one stage, George, as Mr Steinbrenner is normally called, apologised publicly for the way his highly paid players were performing. As a result half a million fewer New Yorkers turned up at Yankee Stadium in the Bronx last season to watch their team compared with the previous full season.

Billy Martin, a successful baseball player in his own right, came to coach the Yankees in 1975. Until 1978, when Steinbrenner fired him for the first time, he had transformed them into a winning team. But the two men kept sniping at each other, and Martin's antics ended up enfuriating the players.

His first downfall was the result of a remark he made to reporters in July, 1978 that Reggie Jackson, the Yankees' star hitter who has since fallen out with Steinbrenner and left the team, was a liar and that Steinbrenner was a convicted felon. He was referring to Steinbrenner's guilty plea to a charge of making an illegal contribution to President Nixon's election campaign in 1972.

But the separation did not last too long. The following year, Steinbrenner re-hired Martin, who incidentally is also known as "Billyball," offering him even more money than he was getting before. Unfortunately, Martin had a disagreement with a Marshmallows salesman in an hotel in Minnesota. He slugged the salesman on the chin and was sacked by Steinbrenner with two years' remaining on his new contract.

Martin then went to the Oakland As on a $250,000 a year, five-year contract. In his first year with the As, he turned a crummy team into winners, but had a bad season last year and was fired. His old pal George has now re-hired him for far more money than has ever been paid before to a baseball team manager — a reported $2m over five years.

Well before Mr Steinbrenner started firing and hiring Mr Martin, the duo had become a popular nationwide comedy turn even for the few Americans who find baseball a bore. The two advertised "lite beer" for the Miller Brewing Company, a subsidiary of the Philip Morris tobacco group. The television commercial would feature Mr Steinbrenner saying "Miller's lite beer tastes good." Martin would tell him it is less filling. They would start arguing and the commercial would end with Steinbrenner firing Martin. The commercial later came true. It was subsequently modified with "Billyboy" saying after Steinbrenner fires him "Oh not again."

In any event, no one at Yankee Stadium has ever believed Martin would ever go for good. His pinstripe Yankee shirt has the number one sewn on it. Each time he has been fired, his shirt has been religiously locked in a locker presumably for his return.

Although Mr Steinbrenner ("the fat man" as his star relief pitcher Goose Gossage called him in an angry moment last year) clearly regarded his re-hiring of Martin as something of a coup, he suffered two setbacks this week. The Commissioner of Baseball fined Steinbrenner $5,000 (on the same day he recreated the George-and-Billy show) for calling the joint owners of the Chicago White Sox: "The Abbott and Costello of baseball" — alluding to another wellknown two-man act. The day before, he lost a lawsuit. The lawsuit itself was an eloquent manifestation of what baseball means to Americans and the Yankees to New Yorkers. Mr Steinbrenner had negotiated with the City of Denver in Colorado to have the Yankees play their first three games of the season starting on April 11 in Denver's stadium. He claimed he was worried that the City of New York would not complete important repairs at Yankee Stadium in time. New York City, fearful of the loss of revenues if the Yankees played in Denver, claimed the repairs would be finished in time and took the Yankees' owner to court. Last Tuesday, Mr Justice Richard Lane of the State Supreme Court in Manhattan ruled in the City's favour.

In his judgment he wrote: "The Yankee pinstripes belong to New York like Central Park, like the Statue of Liberty, like the Metropolitan Museum of Art, like the Metropolitan Opera, like the Stock Exchange, like the lights of Broadway. Collectively they are the Big Apple. Any loss represents a diminution of the quality of life here, a blow to the City's standing at the top, however narcissistic that perception may be." And so the Steinbrenner-Martin show will open with the appropriate hoopla in the Bronx this spring.

Crime in the Soviet Union

One of the most common crimes in Russia is theft from cars. Most car drivers take off their windscreen wipers and side mirrors every time they park. But even that does not always help. I once parked my car right next to a militia box at a Moscow station and when I came back five days later I not only had no windscreen wipers but the bonnet had been levered upon and the battery taken as well. Such petty theft, however, palls behind the organised crime rings which have been known to steal complete cars straight from the factory and have virtually cornered the market in spare parts.

That may take care of the small fry. But the roots of the crime problem go much deeper. ... into a driving licence is usually enough to persuade an ill-paid traffic cop to turn a blind eye to a traffic offence. But thousands of roubles change hands in elaborate cover up operations involving bribes to police, judges and party officials in big operations like the famous caviar smuggling racket for which the Deputy Fisheries Minister paid with his life. Another case which has just come to light is that of a swindler called Stanislav Ivanov who set up a non-existent factory, staffed it with over 500 non-existent workers and then claimed pay for these "dead souls" from the State. He netted millions of roubles and drove around with two bodyguards, had four cars, three houses and a wife "decorated like a Christmas tree with jewels," according to the Socialist industry newspaper.

Contributors:
Peter Riddell
Paul Betts

Thorn EMI midyear drop is £18m—interim held

THE SUBSTANTIAL reduction in profit forecast for the half year ended September 30 1982 by Thorn EMI has materialised. After the expected much heavier depreciation and interest charges the pre-tax profit fell from £45.5m to £27.6m.

Increased depreciation and interest arise from the exceptionally high level of investment in video rental equipment. The charge for depreciation on rental assets rose £18.3m to £82.6m when compared with the first half of the previous year.

For the third quarter of the year the directors report a significant improvement in profit, following the abolition of hire purchase controls and the lowering of interest rates, coupled with the seasonally higher demand for music.

However, the increase in the level of activity is not apparent in the engineering companies and the "outcome for the full year is clearly dependent on the extent to which the recovery in demand for durable consumer goods continues through the fourth quarter."

In the half year turnover came to £1.19bn, against £1.18bn, of which £461m (£476.8m) was overseas, including UK exports. Trading profit rose from £151.7m to £159.7m and was subject to total depreciation of £110.3m (£88.9m) and interest of £21.8m (£17.3m).

After tax £13.5m (£17.5m) and minorities and preference dividends £3.1m (£2.9m), net profit attributable to ordinary holders came out at £11m (£25.1m), or 6.3p (14.4p) per share. The interim dividend is being held at 4.05p net—last year's total was 14.625p paid from pre-tax profits of £105.4m.

It was announced in November that plans for the launch of the VHD video disc system had been suspended. The investments and associated costs, including those incurred in the half year to September 1982, will be written off as an extraordinary item of some £20m in the full year's accounts.

In home entertainment, demand for VHS video cassette recorders continued strong, benefiting both consumer electronics and rental companies. Output of recorders from the joint venture manufacturing facilities in Berlin and Newhaven is on schedule and constitutes the first production of VHS machines outside Japan.

Last year's performance of music has not been sustained and the group has suffered a significant drop in sales and profits almost entirely attributable to the U.S., where prompt action has been taken to reduce costs.

In contrast, the music business in the UK, Europe and other international markets has continued at last year's level. The films, video software and leisure group incurred a loss: the absence of new film releases, the impact of piracy on the planned growth of video cassette distribution and falling cinema attendances were important factors.

The defence electronics business maintained last year's performance but many of the general engineering and technology companies continued to be short of orders in the UK and there was a significant downturn overseas, particularly in the U.S. In total, engineering profits were down on the same period last year.

Domestic appliance group profits were also lower than last year. Results from central heating were significantly better and the retail division's figures showed some improvement, but were more than counter-balanced by a reduction in profits from electric and gas appliances.

While demand for lighting products continued at last year's low level the lighting group nevertheless achieved the expected improvement in profits, following from the rationalisation measures taken in the last two years.

See Lex

Guinness Peat sees return to profit

Guinnes Peat, the banking and insurance group which last year sold its commodity broking business back to a consortium of investors headed by Lord Kissin, founder of the group, confirmed yesterday that it will be back in profit by the end of April, formerly the fiscal year-end.

Mr Alastair Morton, who has replaced Mr Edmund Dell as chairman, commented that this was the first time the board had been able to predict a profit at net level since the disasters in the commodity market hit the group last July.

For the six months to October 31 last—the year-end will in future be September 30—the group recorded a pre-tax loss of £3,330,000, compared with £7,387,000 in the same period of the previous year, on turnover of £62.9m against £271.6m.

The reduction in turnover reflects the sale of the group's commodities division with effect from May 1 last year. There is no interim dividend. After tax, the loss has fallen from £9.4m to £3.9m. Profits from the banking subsidiary, Guiness Mahon, fell from £1,150,000 to £650,000 and the final net loss for the period was £4,202,000 compared with £13,475,000, or a deficit of 4.8p a share against a deficit of 13.2p.

Mr Morton said that trading had generally been "more stable" in the period reviewed. Guiness Mahon had refunded itself in the first half when interest rates were still high. Fenchurch Insurance had moved ahead and expected to exceed last year's £2.65m profits by the year-end.

He said there were no immediate plans for the expected financial restructuring of the group, and stressed that "we do not have to move to any timetable" on such plans, and that the group also had choice of a wide range of alternative restructuring routes.

● comment

The resurrected Guinness Peat seems firmly set on the recovery course set by the new chairman but the trading report contained little new fodder for shareholders. Confirmation of a return to net profitability this year is encouraging but there is little fresh news on the remainder of the debt burden which overhangs the group. Nor is there any news on the anticipated capital restructuring which must be the predominant investment factor. On the trading side, the performance of the Guinness Mahon banking operation has been disappointing, and blaming the conservative funding policies adopted during the reorganisation is an answer that can only serve once. Since the highly successful Fenchurch Insurance and Guinness Mahon represent the two major props of the group, an improvement at the bank would be good news for shareholders.

Recovery at Assoc. Newspapers

SECOND HALF pre-tax profits at Associated Newspapers Group rose from £5.46m to £6.18m, but the recovery was not enough to offset the £5.3m downturn in the first half. Figures for the full year to September 30, 1982 were therefore down from £16.24m to £11.58m on turnover up from £229.47m to £262.1m.

At the interim stage, the directors said the reduction in first half profits resulted mainly from costs incurred preparatory to publishing of the new newspaper, The Mail on Sunday.

Apart from The Mail on Sunday, ANG publishes the Daily Mail, a number of provincial daily and weekly newspapers, and it has a 50 per cent interest in London's evening paper, The Standard. The group also has interests in property, theatres, exhibitions, wharfage and storage, transport, furniture, market research and local radio.

The final dividend is unchanged at 5.9p net for a same again total of 10.4p.

Trading profits for the year were almost halved at £5.29m compared with £10.5m. The pre-tax figure was after interest charges up from £333,000 to £468,000, but included associates' profits of £2.95m (£3.17m) and investment income totalling £3.81m (£2.91m).

There was a tax charge of £4.19m, which was well down on the previous year's £8.48m—there was an exceptional tax credit last year of £4.17m. Extraordinary credits contributed £1.8m (£378,000), and these relate to profits on the sale of assets, but partly offset by redundancy and other closure costs, less tax attributable thereto.

Dividends absorb £3.16m (same), leaving £6.04m (£9.14m) for transfer to reserves. Stated earnings per 25p share before extraordinary items and before exceptional tax credit were 24.4p against 25.5p.

Shareholders are to be invited to exchange their shares in ANG for an equal number of shares in a new holding company, Associated Newspapers Holdings. The document will be sent out on January 28, and it will also contain proposals for the repayment of the small amounts which remain outstanding of the 6¾ per cent unsecured loan stock 1989/94 and the 8¾ per cent unsecured loan stock 1989/94 of ANG. In both cases, the proposals are to be effected by means of a Scheme of Arrangement pursuant to Section 206 of the Companies Act 1948.

The directors of ANG believe that the creation of a new holding company for the group is necessary to provide a structure which will enable its trading activities to be separated from those associated with a holding company.

On a CCA basis, pre-tax profits were down from £11.6m to £8.4m.

The Daily Mail and General Trust, which has a substantial shareholding in ANG, reports attributable net profits up from £3.06m to £3.17m for the year to September 30, 1982. Earnings per share of this "close" company improved from 30.2p to 31.4p.

Total valuation of investments increased from £60.9m to £69.5m, and net asset value per 50p ordinary or "A" ordinary non-voting shares rose from 609p to 697p. The final dividend is raised from 19p to 20p for an increased total of 31p (30p).

● comment

In the absence of any guidance for shareholders about Associated Newspapers' trading in the past year, one can only assume that it is the unfortunate "Mail on Sunday" that has cut profits by nearly a third. Nevertheless, the market had been pessimistic, expecting a result of nearer £9m, and as a result, the shares—which had been looking rather cheap, with a yield in double figures—rose 30p to 175p. Just two years ago profits were double 1982's figure, so shares are probably being bought on hopes of recovery. Most of the launch costs of the Sunday paper were taken in this last year, and circulation has risen since the revamped paper was launched in October. The current year, though, will include the promotional costs of the new colour supplement, and advertising revenue will be hit by increased competition from television and other colour magazines. Taking all that into account, a small improvement in profits is likely. Even at their higher price, the shares look reasonable, with a fully-taxed p/e of 9¼ and a yield of 8.8 per cent.

Sturla rises to £0.76m after 15 months

IN THE 15 months to April 30 1982 business finance group Sturla Holdings made taxable profits of £764,000 compared with £231,000 for the 12 months to January 31 1982. Turnover for the 15 months came to £5.29m against £1.24m for the 12 months.

No dividend is being paid to ordinary holders, while dividends on the cumulative preference shares are in arrears from June 1 1976. These will be brought up to date as soon as practicable which the directors anticipate will be in the current trading year. They also anticipated that ordinary dividends will be resumed following the current trading year's results.

The directors say the profit figures do not include certain leasing transactions contractually completed prior to the end of April which would have contributed a further £200,000, nor other new business anticipated to contribute a further £120,000 which has been deferred until the current year.

However, additional bank interest and other costs of £124,000 have been accounted for within the period. If these items were to be written back into the accounts the directors say the net profit figure would have been £1.21m against the forecast made in the rights issue circular of £1.2m.

They say they have taken the most difficult decision to make full provision against the outstanding loans of £1.2m to Sturdy Finance and £96,000 to AES Television both former subsidiaries and involving consumer loan business arrangements established prior to the appointment of the present board members.

These provisions together with further Liverpool property closing costs of £52,000 and termination payments of £16,000 bring to an end a business era which has no connection, nor made any contribution to the present successful business strategy of the group, the directors say.

To these extraordinary items should be added abortive acquisition costs of £36,000 and rights issue costs of £78,000 to total £1.48m (£331,000).

Meanwhile, the Sturla Holdings group is continuing to trade profitably through all its operating subsidiaries the directors conclude.

Taxable profits were struck after interest charges of £2.11m (£416,000) while there was no tax charge (£3,000 credit).

● comment

After two years of qualified accounts, Sturla Holdings has finally conceded to the auditor and written-off, below the line, loans to former subsidiaries, the major one of which is still trading. But the company has failed to achieve its profits forecast and failed to pay the 0.35p dividend promised last March when it raised £1.7m through a rights issue. In the 15-month period to April 1982, 80 per cent of turnover came from leases of plant, machinery and equipment to local authorities. Cross-border lease transactions of industrial plant and equipment and computer systems have been increasing rapidly with the help of carefully designed tax-efficient packages. The company has also acted as a broker, bringing together bank consortia to finance larger leases. Total gross assets at the year end were £20m, while net asset value has fluctuated between £5m and £5.5m, exclusive of a number of capital allowances, which is about twice the market capitalisation on an unchanged price of 51p yesterday. The company intends to realise a large part of the capital allowances by means of a transaction to be announced next week.

MINING NEWS

Rustenburg faces up to reality

BY GEORGE MILLING-STANLEY

THE DECISION of South Africa's Rustenburg Platinum Mines to abandon the published producer price system for platinum and its by-product, palladium, is an implicit recognition of something that has been obvious to outsiders for some time, namely that the system did not work to the producing companies' advantage.

For many years, platinum has been sold on a two-tier pricing structure, with the two big South African producers, Rustenburg and Impala Platinum, selling at a fixed price to long-term contract customers, while other purchasers bought on the free market.

The latter market is largely supplied by the Soviet Union, and prices have fallen as low as $243 an ounce in contrast to the producer price which has been maintained at $475 since August 1980.

In future, selling prices for both metals will be adjusted frequently to move closely in line with free market prices, reports our Johannesburg correspondent.

As a concession, big purchasers on long-term contracts will continue to receive the benefit of less variable prices.

Mr Gordon Waddell, Rustenburg's chairman, told yesterday's annual meeting in Johannesburg that the system was being dropped because it restricted the company's control over sales. The more flexible pricing policy is expected to overcome this difficulty.

The move, allied to Rustenburg's decision to remain a relatively active trader on the New York Mercantile Exchange (Nymex) should have the effect of smoothing out the more violent fluctuations seen in the recent pattern of the company's earnings.

Apart from the surprise announcement of the change in pricing policy, Mr Waddell told shareholders that operating profits for the six months to February 28 should be higher than the R32.4m (£19m) for the half-year ended August 31, 1982.

BANK RETURN

	Wednesday Jan. 12 1983	Increase (+) or Decrease (−) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	90,721,897	+ 897,812,858
Bankers Deposits	616,966,956	− 32,690,257
Reserve and other Accounts	2,062,792,644	− 14,158,734
	3,644,034,496	+ 860,963,867
Assets		
Government Securities	782,120,544	+ 129,980,000
Advances & other Accounts	1,345,982,324	+ 31,900,101
Premises Equipment & other Secs.	1,559,786,196	+ 695,451,768
Notes	5,983,528	− 3,601,312
Coin	162,204	+ 30,686
	3,644,034,496	+ 860,963,867
ISSUE DEPARTMENT		
Liabilities	£	£
Notes Issued	10,975,000,000	− 350,000,000
In Circulation	10,969,016,672	− 355,601,312
In Banking Department	5,983,528	+ 3,601,312
Assets		
Government Debt	11,015,100	
Other Government Securities	2,983,257,511	− 386,512,042
Other Securities	7,980,727,489	+ 36,512,042
	10,975,000,000	− 350,000,000

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Peter Black	int.	0.87	May 3	0.84*	—	2.48*
Assoc. Newspapers		5.9	Feb 25	5.9	10.4	10.4
Daily Mail & Genl. Trust		20	March 1	19	31	30
Ocean Wilsons	int.	0.75	Feb 11	0.75	—	2.95
Russell Bros.	int.	1.25	—	1.25	—	3.75
Thorn EMI	int.	4.05	March 4	4.05	—	14.63

Dividends shown pence per share net except where otherwise stated.

*Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.

Quest gets Arab backing in £2m R and D injection

BY DAVID DODWELL

Quest Automation, the cash-starved computer systems company, has got a cash injection of £2m in what amounts to a joint venture with Arab-backed interests.

The company's government-backed merger talks with Racal Redac and Compeda collapsed in October, leaving Quest with an urgent need to find fresh funds for research and development in the fast-moving and highly competitive Computer-Aided Design and Manufacturing Systems business.

The deal announced yesterday solves that immediate problem, and offers the prospect of continuous funding for research and development into the future.

The agreement, which is subject to the approval of Quest shareholders, involves the subscription of new shares and loan stock in Quest's principal subsidiary, Quest CAE, as a result of which 51 per cent of CAE's capital will be held by Gabraphone Transducers and United Technologies Massawippi UK.

Quest Group will be reorganised with Quest CAE becoming an associate. Some CAE assets and liabilities will be transferred, and its capital will be increased to £500,000. Gabraphone and its sister company will subscribe to £255,000 ordinary £1 shares and issue the rest to Quest Automation.

At the same time Gabraphone and its sister will subscribe in cash at par for £1.74m of CAE unsecured loan stock, which will be interest free and repayable on January 1 2000.

These two private companies, both UK based, specialise in the design, manufacture and marketing of transducers. Principal shareholder in both companies is the Arab Research and Development Trust. They are headed by Mr Saad Gabr, who is also "principal representative" of the Trust in the UK.

The new money will be used to reduce Quest's current bank borrowings and to underwrite the company's £1.5m a year research and development costs.

Quest's fortunes have dimmed over the past two years, as recession has brought demand for computer assisted design systems to a trickle. In the half year to February 1982, pre-tax losses amounted to £2.86m, compared with profits of £810,000 for the comparable period a year earlier.

Mr Tony Ebel, Quest's managing director, said yesterday that the company experienced "a considerably better second half." He nevertheless refused to disclose whether this performance was sufficiently good enough to eliminate first half losses.

Quest shares, which fell to 25p at one point in 1982, closed yesterday at 55p for a gain of 8p on the day.

Ropner's £3m cash bid for ASL

Ropner, the Darlington, Co Durham-based shipping, insurance and engineering group, yesterday announced a £3m cash bid for Associated Sprayers (ASL), the Birmingham garden and household equipment group.

Ropner announced it has agreed with ASL's chairman, Mr Richard Beney, to acquire his holding of 1.713m shares—19.7 per cent of the equity—at 35p per share. It will extend the same offer to the remaining shares.

ASL's shares, suspended at 31p on Wednesday, were re-listed yesterday and closed at 35p.

Ropner, which claims to be the largest UK maker of garden watering equipment, including sprinklers, hoses and tap connections, will be able to expand its range with ASL's plastic hand held sprayers, said Mr David Ropner, the chairman.

ASL will be merged with Ropner's Hozelock subsidiary, which is based at Haddenham, Buckinghamshire, like most of Ropner's engineering activities. Hozelock also recently acquired a company making garden fountains and lighting equipment.

Engineering contributed £3.68m to group profits of £6.05m in the year ended March 31 1982 and accounted for £18.9m worth of total sales of £27.7m.

Ropner said it had been advised that the board of ASL expects to give its recommendation as to the merits of the offer in the near future.

ASL announced slightly higher pre-tax profits of £236,612 in the year ended August 31 1982 on turnover of £6.99m.

MANNIN/VANNIN

Mannin International says that at 3 pm on Monday January 10, it had received acceptances of its offer for the ordinary stock units of Vannin International Securities in respect of 363,582 ordinary stock units.

In view of the fact that, since 3 pm on that date, further stockholders in Vannin have submitted acceptances of in respect of a total of 66,030 stock units, the Mannin board has decided, notwithstanding the terms of the letter containing its offer dated December 17 1982 and with the agreement of the Panel on Take-Overs and Mergers and of the board of Vannin and its advisers, to extend the offer until further notice.

As already announced, the offer is now unconditional.

CARAVANS INTL.

Mr A. M. Homan and Mr P. S. Padmore of Price Waterhouse, the Receivers of Caravans International, have completed the sale of the share capital of Caravans' subsidiary, H. Burden, through Mr Bowyer and Mr E. Lister, two of Burden's directors.

Burden has separate banking arrangements and was therefore not placed in receivership with the rest of the Caravans group.

ROWNTREE PURCHASE

Rowntree Mackintosh has acquired Holgates Honey Farm for a consideration of £150,000, satisfied by the issue of £125,000 in floating-rate loan notes, the issue of 4,000 new ordinary shares of 50p each with the balance in cash.

HOWARD TENENS

The offer by Espley-Tyas Property Group for Howard Tenens has been accepted by holders of 77.4 per cent and with Espley-Tyas acquiring a further 7.08 per cent during the offer period it now claims 84.48 per cent of Tenens' share capital. The offer remains open until further notice.

Morrison buys BAT superstores

William Morrison, the Bradford-based supermarkets company, revealed yesterday that it has bought three Mainstop Superstores from the BAT Stores Group for a total of £3.9m.

The purchase forms part of an expansion programme mounted by William Morrison over the past two years. The three stores, in Eccles, Gainsborough, and Southport, are fully equipped, and will change hands at the end of trading on January 22. Of the purchase price, £1.1m is for plant, fixtures and fittings.

At present, William Morrison has 26 stores spread across the north of England—15 of them in West Yorkshire and a further seven in Lancashire.

Three new stores are under construction—in Grantham, Haywood and Sheffield. By Easter in 1984, when all of these new stores should be open, the company will have 32 outlets.

Mr Robert Stott, the company's buying director, said yesterday that the acquisition from BAT, which will appear in the accounts for the financial year ending in two weeks time, should not alter the year's profits target of a little over £8m.

In the half year to the end of July 1982 the company reported profits, before tax, of £3.56m, with compares with £3.3m for the comparable period in 1981.

KIO INCREASING ITS ANDERSON STRATHCLYDE STAKE

The Kuwait Investment Office, one of the most powerful, if secretive, equity investment groups in the City, has increased its involvement in Anderson Strathclyde in the handful of days before the judicial review of the Government's handling of the bid from Charter Consolidated is heard in the High Court.

The KIO is described as a loyal and long term investor in the Scottish long wall mining equipment specialist and, after frequent attendance at annual meetings, has established cordial contacts with management. Its stake has been raised from 8.09 to 10.3 per cent. The price has not been disclosed.

CIRO 'OUT OF SWAROVSKI'S REACH'

Ciro, the jewellery retailer, responded quickly yesterday to a request by Swarovski International, bidding 80p cash per share for Ciro, for an update on the 1982 profit forecast and backed that up with the formal advice from its stockbroker, Greene and Co, that the offer should be rejected.

The bid is derided as "frivolous" but the main thrust of the argument for the defence is confined to the observation that consistent purchases by a third party, Mr Jean Pierre Marque, have kept the market price for Ciro shares well out of Swarovski's reach. The bid, however, can now be extended for a further 21 days.

FLEMING JAPANESE INVESTMENT TRUST

Following a change in the investment policy of the Fleming Japanese Investment Trust announced in March 1982, the directors have stated that the role of the "B" ordinary shares would be largely superseded.

They expect to recommend a final dividend of 1.25p for the year to July 31 1983, and dividends for the year to July 31 1984 are at present estimated to total not less than 1.75p. Consequently the next distribution of bonus shares due to "B" ordinary shareholders would be less than 1 per cent.

The next conversion period runs from January 18 to February 22 1983 and the directors would like to recommend to holders that they consider converting their holdings into ordinary shares at this opportunity. The company's articles of association empower the directors to require "B" ordinary holders to convert their holdings into equivalent numbers of ordinary shares when the number of "B" ordinary in issue falls below 100,000. At present 300,374 "B" remain to be converted.

BP PENSION JOINS CONSORTIUM VIEING FOR UDS

British Petroleum Pension Trust has secured agreement with its trustees to join Bassishaw Investments, and is now joining the £191m cash bid for UDS Group. It teams up with three nationalised industry pension schemes—National Coal Board, British Rail and the Post Office—and RIT and Northern and Ailsa Investment Trust in the quest for control, led by Mr Gerald Ronson and Mr Cyril Spencer, for the Richards Shops, John Collier and Allders stores group.

A further fund has expressed interest in joining the consortium and may take a small stake in Bassishaw, given eventual trustee approval; but it is unlikely that the new fund will be in place before Bassishaw publishes its formal offer document in the middle of next week.

AIROIL-FLAREGAS ACQUIRES CTI

Airoil-Flaregas, a wholly-owned subsidiary of Glossop, has acquired Combustion Technology International for £230,000.

The combined companies will produce the widest range in the world of oil and gas burners for the petrochemical, marine, power station and industrial markets. About 70 per cent of total production will be for the export market.

CTI is located in Porchester, Hants.

BARROW HEPBURN

Basil Lamb, a subsidiary of the Barrow Hepburn Group, has taken over the trading activities of Ursula Fabrics from the receiver of the Pullman Group. Basil Lamb will continue the Ursula Fabrics' products range and existing selling arrangements.

NEW THROGMORTON

New Throgmorton Trust says capital loan stock tenders in total amounted to £1,901,258 nominal. Under the terms of the trust deed, the dealing subsidiary, NTT Securities, may accept 20 per cent of the outstanding stock or £1.5m by tender value, whichever is the less.

Accordingly, the dealing subsidiary has accepted 25.81 per cent of stock tendered to it, £490,685 nominal which at a price of 305.68p will cost £1,499,925 approximately, exclusive of transfer stamp duty. All applications will be accepted on a pro-rata basis.

INGALL INDS.

Ingall Industries has signed a conditional agreement for the acquisition of Roberts and Brain, funeral director of Smethwick. Consideration will be £500,000, satisfied by 902,936 ordinary shares. At March 31 1982 net assets of R and B were £158,000.

Results due next week

ON MONDAY, S. & W. Berisford is producing the results for a year which saw the final victory in a marathon take-over battle for British Sugar Corporation. BSC is expected to be treated as an associate for 10 months and a wholly-owned subsidiary for the last two months of the year ending in September, although an 11-1 split is possible. For the same 12-month period, BSC forecast [illegible] pre-tax profits, at the height of the battle, which would mean a £14m contribution for Berisford after financing costs—but Berisford may take a more conservative view of depreciation policy. Volume and prices have been low in the cocoa market, where Berisford's traditional strength lies, but profits are up from coffee, sugar and probably wool trading. Berisford has steered clear of the disasters that have befallen Doxford's and Guinness Peat. Food processing profits are expected to rise slightly and the other minor divisions have probably also made advances. Analysts are looking for pre-tax profits for the group of £52m to £56m and for the dividend to be in line with the company minimum forecast of 9p net but the anticipated rights issue is no longer expected to be announced with the results.

Few of the trends of world economics would seem to have favoured Davy, the engineering construction and contracting group in the six months to September 30. Further downward pressure on oil prices can have done no good to Davy's involvement in the chemical and petroleum industries, and its synthetic fuels and energy conservation side tend to be less attractive when oil looks cheap. Some forecasts have been trimmed at the higher end, and the market would now be happy with £4.5m, pre-tax on Thursday, with an expected £16m at the year-end. At this level, the dividend seems safe.

Tuesday's statement for the half year to last October from Racal Electronics, is awaited with considerable trepidation in view of the uncertainty which has fallen over prospects at the group's radio communications division, responsible for nearly half the profits. Forecasts have been hurriedly downgraded in the past few weeks, amid apparently well-founded fears that radio communications business in the U.S. has fallen off sharply.

The latest predictions are for £50m or so pre-tax for the first half, against £38.4m and perhaps £120m for the full year. Six months ago, the City was looking for £133m for the year and untroubled by prospects for the first half. The shares have already fallen 13 per cent from their peak to 539p.

There were some cautious murmurings in the City when Trusthouse Forte announced lower profits for the first half, despite the board's bullishness for the rest of the year. Investors clearly decided to listen to the board rather than the doubters, and the shares have risen by 26 per cent since then. The second half has probably brought better trading at the group's London hotels, but not at the provincial operations: the U.S. industry has been overshadowed by the industrial recession there. This leaves forecasters much as they were at the half way stage, and predictions of £55m-£60m pre-tax for the year to October 31 against £52.3m previously have been left unchanged since that date. There are, however, several bullish factors for next year, notably the boost for tourism from the fall in sterling, the accruing effects of the capital expenditure programme, and expectations that the U.S. side will recover.

The best possible news from Tate and Lyle on Wednesday, when it reports its results for the year to last September would be an increase in the dividend, to take it up in the direction of the levels of the late seventies. Failing that, the market will settle for pre-tax profits of £37m-£43m, against £39m previously and expects to see further evidence of the tidying up of the group's operations. Most sectors of the business have been performing well, with the exception of the Canadian side, where any sign of improvement would be gladly received. The share price poses a problem for investors. At present levels, they are showing strength ahead of the figures which has become a traditional feature. If the results are up to expectations, then some City brokres will again call for a substantial uprating of the shares in their sector; but investors have so far failed to heed such calls and there seems little reason for them to change their minds this time.

Trading at Dixons, the former Dixons Photographic, is unlikely to have lit many fireworks in the six months to mid-November—although the next month may have brought a different story as Christmas sales of video recorders rocketed. Last year was generally bad for the retail trade, which is the source of about half of Dixon's profits. A falling rate of inflation, together with savage price cutting, hit margins, and citizens' band radio brought little joy for the retailers. The market will be satisfied with about £5.5m pre-tax from Dixon's interim report, against £6.08m a year ago. In the second half, the retail side is expected to move up strongly.

Others reporting next week include SGB and Gestetner with final results on Monday and Wednesday respectively and MFI, with an interim report on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Berisford (S. and W.)	Monday	2.5	5.0	3.0
Bett Brothers	Monday	1.2	1.8	1.2
BIO Isolates (Holdings)	Friday	—	—	—
Bootham Engineers	Wednesday	—	6.0	—
Countryside Properties	Tuesday	1.4	2.45	1.54
Eurotherm International	Thursday	1.5	3.5	2.0
French (Thomas) and Sons	Wednesday	2.25	3.75	2.25
Gestetner Holdings	Wednesday	1.25	1.375	1.25
Greenfriar Investment	Thursday	—	2.3	—
Leda Investment Trust	Thursday	1.47	3.01	1.47
Lincroft Kilgour Group	Tuesday	—	1.0	—
Lloyds and Scottish	Wednesday	—	5.57	1.87
Lovell (Y. J.) Holdings	Thursday	1.125	2.875	1.125
O.R.E.	Friday	—	—	—
Raeburn Investment Trust	Friday	2.0	4.9	3.0
SGB Group	Monday	2.3	3.3	2.3
Tate and Lyle	Wednesday	4.0	7.5	4.0
Trusthouse Forte	Wednesday	1.5	4.6	1.5
INTERIM DIVIDENDS				
AGB Research	Wednesday	2.3	3.7	
Ailsa Investment Trust	Monday	0.7	1.15	
Austin (James) Steel Holdings	Wednesday	1.67	3.0	
Banks (Sidney C.)	Wednesday	2.25	4.5	

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
Country and New Town Properties	Thursday	0.25	0.65	
Davy Corporation	Thursday	2.2	5.17	
De Brett (Andre)	Thursday	—	1.5	
Dixons Group	Thursday	1.379	2.4	
Dyson (J. and J.)	Friday	2.0	2.0	
Estates Property Investment	Wednesday	2.75	4.75	
Gelper [?] (A. and J.)	Wednesday	1.7	2.4	
Group Investors	Tuesday	1.1	2.1	
Home Farm Products	Thursday	1.15	1.75	
Imry Property Holdings	Monday	1.2	2.4	
MFI Furniture Group	Thursday	1.1	1.7	
Midland Trust	Tuesday	2.45	3.85	
Mountleigh Group	Wednesday	1.0	3.0	
Racal Electronics	Tuesday	1.265	3.74	
Restmore Group	Monday	0.5	5.0	
Stroud Riley Drummond	Monday	0.75	1.5	
Trent Holdings	Tuesday	0.7	1.05	
INTERIM FIGURES				
Atlantic Assets Trust	Thursday			
Dollonds Photographic Holdings	Friday			
Heath (Samuel) and Sons	Friday			
Walker (Alfred)	Thursday			

*Dividends are shown net pence per share and adjusted for any intervening scrip issue.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Redland launched a rival £34.7m bid for brickmakers Ibstock Johnsen, topping last month's agreed offer from London Brick by £6.3m. Redland is offering 54 of its own shares for every 100 Ibstock shares, valuing the latter at around 121.5p per share compared with London Brick's shares and cash offer worth about 99.5p per share. A decision about the likely referral of both bids is awaited from the Office of Fair Trading.

C. H. Beazer, the West Country housebuilding and construction group, raised its hotly-contested cash and equity offer for R. Green Properties by £2m to £13.7m. but Green's instant response was to stress that the revised terms still take no account of the results of an independent property revaluation currently being compiled. The revised offer terms are two Beazer shares plus 350p cash for every seven Green shares, valuing the latter at approximately 112p per share compared with the earlier offer worth 97p.

Dealings in Bremar Trust were suspended at 63p pending the completion of the agreed acquisition of a majority holding in privately-owned Bremar Holdings. When dealings resume, in May at the latest, Bremar Trust will hold 51 per cent of Bremar Holdings' shares, with an option to acquire the remaining 49 per cent. Bremar Holdings' existing 44 per cent stake in Bremar Trust may be placed with institutions.

Dealings in loss-making pump manufacturer Henry Sykes were suspended at 25p at the company's request pending the outcome of a bid approach. The company, in the midst of a reorganisation, has stated that a return to an acceptable level of profitability is proving difficult.

British Car Auction emerged as the head of a British-Kuwait consortium which is expected to make an offer for Cope Allman International, the packaging to fruit machines group. The consortium first approached Cope Allman in December with a verbal 60p per share cash offer which was rejected.

Charter Consolidated deferred its decision concerning a fresh bid for Anderson Strathclyde while Anderson challenges in the courts the Government's go-ahead which over-ruled the Monopolies Commission's recommendation. The Takeover Panel informed Charter that it need not announce any new bid until after the legal position has been clarified.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Braby Leslie	85●	77	57	8.58	Anglo Nordic
Braid Group	58*	57	42	2.74	Lookers
Carringtn Viyella	9	8¼	10½††	16.34	Vantona
Ciro	80*	108	75	1.77	Swarovski Intl
Edin & Gen Ins	20	18	13	4.95	Mills & Allen Intl
Eva Industries	44§	33	24	2.38	Anglo-Indonesian
Gillett Bros	195	190	215	5.32	Jessel Toynbee
Green (R.)	112§ §§	113	81	13.66	Beazer (C. H.)
Highams	75*	72	63	4.55	Largs
Howard Tenens¶¶	68§§	63	64††	10.81	Espley-Tyas
Ibstock Johnsen	100§§	101	80††	28.54	London Brick
Ibstock Johnsen	122½	101	93	34.96	Redland
Lifeguard Assce	950*	950	407††	7.10	Mult Hlth & Life
Mixconcrete	210*	208	115	19.52	Pioneer Concrete
Rowan & Boden	60*	58	40	2.42	Firth (G. M.)
Southwest Cons	42	37	41	9.21	Burma Mines
UDS	100*	100	89	190.7	Bassishaw Invs

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on January 14 1982. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ● Loan stock alternative.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Baker's Household	Oct	753	(963)	9.3	(11.6)	1.65	(1.65)
Barr (A. G.)	Oct	2,800	(3,280)	31.4	(38.7)	5.87	(5.87)
Cosalt	Aug	254	(580)	—	(5.9)	3.5	(3.5)
Dawson (Wm)	Sept	2,280	(1,590)	34.9	(26.6)	6.0	(3.5)
Espley-Tyas	Sept	2,770	(2,280)	25.1	(20.6)	4.2	(2.31)
Evode Group	Oct	1,860	(2,100)	10.6	(11.6)	2.03	(1.85)
Heavitree Brwy	Oct	618	(659)	72.6	(72.2)	23.6	(22.5)
Hill & Smith	Sept	1,080	(412)	18.7	(4.4)	3.5	(3.18)
Kenning Motor	Sept	8,200	(3,550)	14.9	(11.2)	5.5	(3.5)
Ldn Scot Finance	Oct	1,350†	(1,040)‡	8.1†	(6.6)‡	3.2†	(2.33)‡
Lowe (Robt H.)	Oct	491L	(241)	—	(13.5)	3.27	(3.27)
M & G Group	Sept	3,620	(3,850)	25.2	(25.2)	15.0	(12.5)
Muirhead	Sept	1,220	(886)	15.9	(7.3)	4.0	(3.0)
Sotheby Parke	Aug	3,080L	(7,040)	—	(26.5)	0.1	(12.5)
Stakis	Oct	4,460	(4,660)	7.4	(6.5)	1.76	(1.6)

Scrip Issues

Hill and Smith Holdings—One for 10.
London Scottish Finance Corporation—One for two.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
AIM Group	Oct	198L	(1,130)	1.9	(—)
Allied Colloids	Oct	5,440	(3,980)	0.65	(0.59)
Asprey	Sept	2,810	(2,210)	6.0	(5.0)
Brown & Tawse	Sept	1,870	(1,360)	0.7	(0.7)
Carclo Engn	Sept	843	(985)	1.3	(1.3)
Centrovincial Ests	Sept	1,210	(633)	2.5	(2.0)
Dennis (J. H.)	Sept	82L	(304)L	—	(—)
Ellis & Everard	Oct	919	(803)	2.5	(2.27)
Greene King	Oct	3,130	(2,920)	1.3	(1.2)
Hales Props	Sept	298	(276)	1.33	(1.0)
Hogg Robinson	Sept	2,790	(3,110)	3.0	(3.0)
Hollas Group	Sept	412	(806)	1.0	(1.0)
Jones Stroud	Sept	1,320	(1,200)	2.0	(2.0)
Laganvale Est	Oct	122	(124)	—	(—)
London Inv Tst	Sept	1,020	(534)	0.37	(0.35)
Magnet & Sthrns	Sept	12,070	(10,580)	1.7	(1.33)
Ratners	Oct	1,100L	(234)	0.67	(0.67)
Raybeck	Oct	761L	(256)	—	(1.13)
Stead & Simpson	Sept	957	(810)	1.0	(1.0)
Syltone	Sept	59	(550)	3.5	(3.5)
Symonds Engn	Sept	111	(110)	0.22	(0.22)
Tomkins (F. H.)	Oct	461	(384)	0.58	(0.58)
Waddington (J.)	Oct	271L	(506)	—	(—)
Wigfall (Henry)	Oct	1,466L	(1,513)L	—	(—)

(Figures in parentheses are for the corresponding period.)
* Dividends are shown net except where otherwise stated. † For the 65 weeks to October 1982. ‡ For the previous 52-week period. L Loss.

Rights Issues

Grosvenor Group is raising £2.257m by way of a one for five rights issue at 90p per share.
LCP Holdings is making a one for four rights issue at 46p a share to raise £5.766m.
NSS Newsagents is raising £5.738m through a rights issue of 6.17m new ordinary 10p shares at 93p each on the basis of one for five.
Stakis is raising £8.074m by way of a one for four rights issue at 58p per share.

Offers for sale, placings and introductions

Microgen is joining the Unlisted Securities Market via a placing of 300,000 shares at 190p each.

LONDON TRADED OPTIONS

January 14 Total Contracts 2,648 Calls 2,141 Puts 507

Option	Ex'cise price	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity Close
BP (c)	300	16	63	30	21	42	—	314p
BP (c)	330	2	5	15	200	28	10	"
BP (c)	360	½	—	5	15	12	—	"
BP (p)	280	1½	—	6	1	—	—	"
BP (p)	300	3	—	16	8	24	93	"
BP (p)	330	20	—	34	—	44	2	"
BP (p)	360	48	—	58	—	64	19	"
CU (c)	120	24	7	28	8	31	—	142p
CU (c)	130	14	3	19	28	25	30	"
CU (c)	140	5	63	13	79	15	13	"
CU (c)	160	1	—	4	35	—	—	"
CU (p)	140	5	—	12	—	16	2	"
Cons. Gld (c)	450	70	2	80	1	87	—	527p
Cons. Gld (c)	500	30	3	52	5	62	—	"
Cons. Gld (c)	550	5	—	28	4	40	—	"
Cons Gld. (p)	500	4	—	19	6	24	—	"
Ctlds. (c)	70	5	—	9	5	12	—	74p
Ctlds. (c)	80	1	30	3½	12	7	—	"
Ctlds. (p)	70	1½	4	4	—	5	—	"
Ctlds. (p)	80	7	13	8	—	12	—	"
GEC (c)	177	30	5	—	—	—	—	203p
GEC (c)	187	20	8	—	—	—	—	"
GEC (c)	197	11	3	26	—	—	—	"
GEC (c)	200	—	—	—	—	35	5	"
GEC (c)	217	2	5	13	12	—	—	"
GEC (c)	237	1	—	7	8	—	—	"
GEC (p)	197	4	2	10	—	—	—	"
GEC (p)	217	15	2	20	25	—	—	"
GEC (p)	237	35	—	40	15	—	—	"
Gr'd Met. (c)	300	56	4	59	7	46	25	355p
Gr'd Met. (c)	330	9	74	20	25	24	3	"
Gr'd Met. (c)	360	1½	—	9	53	15	1	"
Gr'd Met. (p)	300	1	—	5	—	5	12	"
Gr'd Met. (p)	330	4	15	12	6	14	—	"
ICI (c)	300	68	15	74	—	80	1	362p
ICI (c)	330	38	86	44	54	50	4	"
ICI (c)	360	12	208	22	50	28	—	"
Land Sec. (p)	260	2	—	9	1	12	—	278p
Land Sec. (p)	280	5	—	18	10	17	—	"
Mks & Sp. (c)	140	68	4	—	—	—	—	206p
Mks & Sp. (c)	160	48	9	54	3	—	—	"
Mks & Sp. (c)	180	28	2	35	—	40	—	"
Mks & Sp. (c)	200	10	46	22	5	27	—	"
Mks & Sp. (c)	220	2	—	11	20	15	—	"
Mks & Sp. (c)	240	½	—	4	5	8	—	"
Mks & Sp. (p)	180	1	—	4	6	6	—	"
Mks & Sp. (p)	200	3	4	9	1	12	—	"
Mks & Sp. (p)	220	16	11	19	2	24	—	"
Mks & Sp. (p)	240	35	4	38	2	45	—	"
Shell (c)	420	28	76	40	1	48	—	446p
Shell (c)	460	5½	—	18	61	28	1	"
Shell (p)	460	20	—	28	5	35	—	"
		February		May		August		
Barclays (c)	380	56	1	66	—	77	—	414p
Barclays (c)	390	28	14	37	7	50	—	"
Barclays (c)	420	8	57	18	24	30	—	"
Barclays (p)	360	2	51	5	—	9	—	"
Barclays (p)	385	4	2	—	—	—	—	"
Barclays (p)	420	17	6	32	—	48	—	"
Imperial (c)	100	16	16	20	—	—	—	115p
Imperial (c)	110	10	57	12	2	17	—	"
Imperial (c)	120	3	30	5	2	10	—	"
Imperial (p)	130	15	—	21	4	—	—	"
Lasmo (c)	300	20	—	32	4	50	—	292p
Lasmo (c)	330	10	—	20	35	32	—	"
Lasmo (p)	300	17	—	27	30	37	50	"
Lasmo (p)	330	42	40	50	—	60	—	"
Lasmo (p)	360	67	17	70	—	—	—	"
Lonrho (c)	80	18	21	19	—	21	—	96p
Lonrho (c)	90	9	61	11	36	13	—	"
Lonrho (c)	100	3½	22	6½	12	8	2	"
Lonrho (p)	90	1½	—	6	5	8	—	"
Lonrho (p)	100	5	—	12	—	14	5	"
P & O (c)	110	11	—	18	7	21	2	115p
P & O (c)	120	3½	12	12	12	14	—	"
P & O (c)	130	2	—	6	25	6	—	"
Racal (c)	390	118	5	—	—	—	—	537p
Racal (c)	500	45	35	64	—	—	—	"
Racal (c)	550	17	2	40	32	60	—	"
Racal (c)	600	3	4	17	—	40	—	"
Racal (p)	460	2	10	6	—	—	—	"
Racal (p)	500	8	7	16	—	—	—	"
Racal (p)	600	65	—	70	3	78	—	"
RTZ (c)	420	92	—	97	1	102	—	511p
RTZ (c)	460	52	2	65	—	74	—	"
RTZ (c)	500	18	12	45	21	57	—	"
RTZ (c)	550	7	14	19	4	30	1	"
RTZ (p)	500	16	4	26	11	40	—	"
RTZ (p)	550	52	—	62	—	67	1	"
Vaal Rfs. (c)	60	56½	—	57	10	—	—	$116
Vaal Rfs. (c)	70	46½	1	47	10	47½	—	"
Vaal Rfs. (c)	80	36½	11	37	—	38	—	"
Vaal Rfs. (c)	90	26½	—	27½	—	29½	1	"
Vaal Rfs. (c)	100	17	4	20	2	24½	20	"
Vaal Rfs. (c)	110	10	—	14½	2	20½	4	"
Vaal Rfs. (c)	120	4½	6	10½	17	16	2	"
Vaal Rfs. (p)	110	5½	1	11½	10	12½	—	"

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	11 %	Gulf G'tee Trust Ltd.	12 %
Allied Irish Bank	11 %	■ Hambros Bank	11 %
Amro Bank	11 %	Hargrave Secs. Ltd.	11 %
Henry Ansbacher	11 %	Heritable & Gen. Trust	11 %
Arbuthnot Latham	11 %	■ Hill Samuel	§11 %
Armco Trust Ltd.	11 %	C. Hoare & Co.	†11 %
Associates Cap. Corp.	11 %	Hongkong & Shanghai	11 %
Banco de Bilbao	11 %	Kingsnorth Trust Ltd.	12 %
Bank Hapoalim BM	11 %	Knowsley & Co. Ltd.	11½%
BCCI	11 %	Lloyds Bank	11 %
Bank of Ireland	11 %	Mallinhall Limited	11 %
Bank Leumi (UK) plc	11 %	Edward Manson & Co.	12 %
Bank of Cyprus	11 %	Midland Bank	11 %
Bank Street Sec. Ltd.	10½%	■ Samuel Montagu	11 %
Banque Belge Ltd.	11 %	■ Morgan Grenfell	11 %
Banque du Rhone	12 %	National Westminster	11 %
Barclays Bank	11 %	Norwich Gen. Tst.	11 %
Beneficial Trust Ltd.	12 %	P. S. Refson & Co.	11 %
Bremar Holdings Ltd.	12 %	Roxburghe Guarantee	11½%
Brit. Bank of Mid. East	11 %	Royal Trust Co. Canada	11 %
■ Brown Shipley	11 %	Slavenburg's Bank	11 %
Canada Perm't Trust	11½%	Standard Chartered	‖11 %
Castle Court Trust Ltd.	11½%	Trade Dev. Bank	11 %
Cayzer Ltd.	11 %	Trustee Savings Bank	11 %
Cedar Holdings	10 %	TCB	11 %
■ Charterhouse Japhet	11 %	United Bank of Kuwait	11 %
Choulartons	11½%	Volkskas Intl. Ltd.	11 %
Citibank Savings	¶ 9 %	Westpac Banking Corp.	11 %
Clydesdale Bank	11 %	Whiteaway Laidlaw	11½%
C. E. Coates	12 %	Williams & Glyn's	11 %
Comm. Bk of N. East	11 %	Wintrust Secs. Ltd.	11 %
Consolidated Credits	11 %	Yorkshire Bank	11 %
Co-operative Bank	*11 %		
The Cyprus Popular Bk	11 %		
Duncan Lawrie	11 %		
E. T. Trust	11 %		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	12½%		
Robert Fraser	12 %		
Grindlays Bank	‡11 %		
■ Guinness Mahon	11 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8%. 1-month 8.25%. Short-term £8,000/12-months 10.6%.
† 7-day deposits on sums of under £10,000 8%. £10,000 up to £50,000 8¼%. £50,000 and over 9½%.
‡ Call deposits £1,000 and over 8%.
¶ 21-day deposits over £1,000 9%.
§ Demand deposits 8%.
¶ Mortgage base rate.

APPOINTMENTS

Grand Metropolitan consumer sevices posts

Following last month's appointment by GRAND METROPOLITAN Mr A. J. G. Sheppard as group managing director responsible for brewing, consumer services and leisure, the management of consumer services has been structured with the following appointments. Chairman and chief executive, consumer services; Mr C. Strowger. Reporting to Mr Strowger will be: the managing director, Chef and Brewer, the managed public house company, Mr T. O. Thwaites; the managing director, Berni Inns, Mr R. P. Lichtensteiger; the chairman and managing director, Mecca Bookmakers, Mr R. W. Green; the managing director machine operations, Mr C. H. R. Troup; and the consumer services commercial director, Mr J. D. Lovering.

*

Mr C. R. Reeves, group chief executive and deputy chairman of Morgan Grenfell and Co. has joined the board of MORGAN GRENFELL HOLDINGS. Mr C. F. M. Rawlinson becomes joint deputy chairman of Morgan Grenfell and Co. Mr G. Dryden, managing director of Morgan Grenfell (Jersey) has been appointed to the board of Morgan Grenfell and Co.

*

Mr Derek Austen has been appointed financial director of PRUDENTIAL PORTFOLIO MANAGERS, investment management company of Prudential Corpn. He is at present financial director of Vanbrugh Life, the corporation's unit-linked subsidiary.

*

Mr Ray C. Anderson and Mr Carl I. Gable have been appointed to the board of CARPETS INTERNATIONAL and Mr Anderson has become chairman.

*

Mr E. D. G. Davies will retire for personal reasons as governor of GLOBE INVESTMENT TRUST at the end of the company's financial year on March 31. He will remain a member of the Court. Mr Davies will be succeeded as governor by Mr D. W. Hardy, a member of the Court since 1976.

*

Mr Richard Ingram Lindsell, chairman of the Mond division of Imperial Chemicals Industries since 1979, has been appointed a non-executive director of the LIVERPOOL DAILY POST AND ECHO.

*

Mr John Hartley is chairman and Mr John Barker is managing director of SIMON ACCESS, the management company of Simon Engineering's new access division, based in Worcester. Mr Terry Blizzard has become international sales director of a co-ordinated overseas distribution organisation for sales outside the home territories of the three manufacturing companies. Mr Peter Ducat has been made deputy managing director of Simon Engineering Dudley.

*

Mr Michael D. Hill, domestic lending manager, has been appointed a director of CHANCERY SECURITIES.

*

Mr Christopher Lawson, a former director of Mars and currently director of marketing at Conservative Central Office, has been appointed non-executive chairman of SPEARHEAD.

*

ROYAL TOWN PLANNING INSTITUTE has elected Mr John Finney, director of planning, Leeds, as president for 1983. Mr Finney succeeds Mr Andrew Thorburn, county planner for East Sussex.

*

Mr Robin Newman has been appointed company secretary of PROPAFLOR. He is also chief accountant. Propaflor is part of the Bullough Group.

*

T. T. PASCOE has made the following changes to its board: Mr M. D. Piercey has been appointed group managing director and Mr J. S. Hancock assistant group managing director. Mr J. L. T. Piercey has resigned from the board of T. T. Pascoe and its subsidiaries.

*

Mr Bernard Sulzmann has been appointed managing director of HOGG ROBINSON INTERNATIONAL CAR RENTAL INSURANCE CONSULTANTS, a newly-formed company within Hogg Robinson Group and executive director in charge of the self-drive hire, leasing and extended car warranty division of Hogg Robinson (UK).

*

Mr Roger Levick has been appointed managing director of the Tyneside-based heavy duty group (UK) operation of INTERNATIONAL PAINT. He succeeds Mr Terry Lemmon, who has moved up to chairman.

*

Mr Nick Smith, currently operations director of KIMBERLY-CLARK, has been appointed managing director in succession to Mr Derrick Croxon, who is to retire on January 31.

*

Mr Ronald van Beek has been appointed investment director of MANNIN INTERNATIONAL. Mr Alan Hovell has joined Mannin International and will head the trust and corporate services department.

CONTRACTS

Plessey wins £6m rural exchanges order

PLESSEY TELECOMMUNICATIONS, Edge Lane, Liverpool, has been awarded a £6m contract by British Telecom to supply 177 UXD5B rural telephone exchanges for installation in the UK public network from 1983-86. The UXD5B rural exchange is a digitally switched, software based, microprocessor-controlled public telephone exchange. It has been designed to operate as an unattended rural exchange, and is claimed to be highly reliable, requiring a minimum of routine maintenance. Each exchange has a capacity of up to 600 lines and consists of two system modules, each accomodating a maximum of 300 lines and 48 junction circuits.

*

JT GROUP has been awarded contracts totalling over £6m for Bristol based JT DESIGN BUILD these include Phase 3 of the Metropolitan Centre for MEPC, at Greenford, Middlesex (£1.4m) two depots for Southern Gas in Hampshire (£350,000 together) a 30-bedroom hotel at The Grange, Winterbourne, Bristol for Dovum (Bristol), and a Happy Eater Restaurant at Codford St. Mary, Wiltshire, for Imperial Group. For Devon based STAVERTON CONTRACTING GROUP, contracts include the new Paignton shopping centre for Centros Properties, which including fitting out for main tenant Key Markets, is valued at £3m. Design and build contracts include new facilities for Department of Geography at Reading University, and new science laboratories for Exeter School, worth a total of £770,000.

*

Two contracts, totalling nearly £4m have been won by MOWLEM in East London. The first, worth £3m is on the Thames Barrier site. Mowlem is to construct two buildings, one providing accommodation for staff on call-out and the oher viewing facilities for the public, plus an exhibition area. The client is the GLC. Work has started for completion in June 1984. For the London Docklands Development Corp., the company is to undertake environmental improvements to blend with the proposed industrial developments in the Isle of Dogs. The contract value is £1m.

*

F. CLAY AND SONS (CONTRACTORS) has been awarded two contracts. The first, worth £900,000, is for exensions and alterations to St. Margaret Ward School, Tunstall for the governors. The second contact, worth £420,000, is for 22 dwellings at Lockitts Lane, Longton, for ...

TAYLOR WOODROW CONSTRUCTION (NORTHERN) has won a contract worth £1.6m. Placed by Manchester International Airport Authority it involves extending the international long-haul apron to accommodate four additional wide bodied aircraft. Work has started and is due for completion in April, 1984. The project includes general site levelling, laying 28,000 sq metres of pavement quality concrete apron and a perimeter road diversion.

*

S. W. FARMER GROUP'S subsidiary companies have been awarded orders totalling £1.25m. S. W. Farmer & Son has received a contract from John Mowlem to supply and erect the steel frame and decking for an eight-storey office building in Monument Street, London. The contract is valued at over £500,000 and comprises 540 tonnes of structural steel. Farmer Plan Engineering, the group furnace fabricators, has received two contracts. The first is for the detailed engineering and supply of materials for furnaces on the Whangarai Refinery, Marsden Plant, New Zealand. The work is valued at £250,000. The other contract is for three carbon dioxide boilers to be sited adjacent to steel mills in Madras, Bharat and Hindustan, India. Each boiler will be of double skin panel construction, will weigh 150 tons and measure 4 metres x 13 metres x 15 metres high. The contract is valued at £500,000 and will be fabricated at Darlington for delivery in mid 1983.

*

Great Portland Estates has appointed WALTER LAWRENCE & SON to build a £3m scheme on the corner of Mortimer Street and Wells Street, London W1. The new, seven-storey, 60,000 sq ft building will consist of showrooms, a basement and light industrial accommodation. It will be constructed with a reinforced concrete frame. The elevations will be clad in facing brickwork with anodized aluminium windows together with anodized shop fronts and entry doors at ground floor level. Work on site began in September and completion is scheduled for April 1984.

*

WIMPEY CONSTRUCTION UK has been awarded four contracts worth a total of £2.35m. Liverpool City Council has placed two contracts. The first, for £1.06m, is to modernise 78 flats in Byles Street, Liverpool 8. Work involves provision of plumbing and heating and modernisation of kitchens plus insulation of ceilings and walls. Work started recently and is expected to be completed in June 1984. The second a £620,000 contract is for the modernisation of four blocks of flats in Albert Street, Liverpool 7. Wimpey will provide new windows, new kitchen units and central heating and build balconies. External walls will receive added insulation. The Edinburgh office has won two contracts. The first, worth just under £400.000 from West Lothian District Council, is for the modernisation of 55 flats in the Fauldhouse area. Completion is expected by September. The second contract. is for the Construction of two advanced factories at Crowhill Road, Bishopbriggs. They will be steel clad and have in-situ concrete floors and sheet steel insulated roofing. Worth £270,000 the factories will be built between mid-January and mid-September.

*

Two housing contracts in Essex valued at £2.2m have been awarded to the South Eastern Region of JOHN LAING CONSTRUCTION. Work has started on phase 2 of a development at Queensway, in Southend-on-Sea, for the Springboard Housing Association. The £957,000 contract involves building 54 sheltered flats for the elderly, plus a warden's flat, for completion in February, 1984. At Buckhurst Hill, work starts soon on 69 flats and a common room for the WPHT Housing Association under a £1.25m contract. In seven blocks of one, two and three storeys, they will be of load bearing brickwork with timber trussed roofs covered with asbestos slates. Completion is due within 21 months.

The Scottish Development Agency has awarded a £1m contract for the first phase of the Acre Road section of the West of Scotland Science Park at Garscube, Glasgow. The contract, for two blocks totalling 27,000 sq ft, has been won by Glasgow-based contractors, MELVILLE DUNDAS AND WHITSON. Work will start on the buildings, which can be sub-divided into smaller units, later this month, with the development due for completion by autumn this year.

*

LESSER DESIGN AND BUILD has been appointed to carry out the design and construction of a five-storey, £1m office block for Lesser Land at 75-81, Staines Road, Hounslow. The new 2206 sq metre building, which will be concree frame construction with cavity wall brickwork, will incorporate curtain walling glazed with bronze-mirrored glass set in dark bronze anodised aluminium sections.

*

TURRIFF CONSTRUCTION has been awarded two additional contracts by the Metropolitan Borough of Rochdale to build 30 Houses and 34 Flats in linked two-storey terraces both at Plum Mill, Heywood. The contract values are over £880,000 and work is due to start this month.

LADBROKE INDEX
based on FT Index
608-613 (+4)

WORLD STOCK MARKETS

Early 9.75 advance on Wall St

HIGHER LEVELS developed in early trading on Wall Street yesterday as profit-taking subsided and investors speculated on the prospects of a Discount rate cut later.

By 1 pm the Dow Jones Industrial Average was up 9.75 to 1083.70 for a net rise of 7.63 on the week, while the NYSE All Common Index, at $84.87, rose 71 cents on the day to $1.20 on the week. Advances led declines by a nine-to-five majority, in a volume of some 64.56m shares.

The market gained support from widespread speculation that the Federal Reserve will move to cut the Discount rate by a half a point—currently quoted at 8½ per cent.

Speculation regarding a Discount rate was fuelled by a drop in the key Federal Funds rate, charged on Overnight Loans between banks. The Fed Funds rate moved to 8¼ per cent from Thursday night's close of 8½ per cent.

Technology stocks were particularly strong, with Itek turning in the most spectacular performance following news that it agreed to merge into Litton Industries for $48 a share. Itek soared $14⅞ to $47⅛ in heavy trading and Teledyne climbed $6¾ to $150⅝.

Other winners in the Technology sector included IBM, up $1⅞ to $99⅞, Tandy $2 to $52⅞, Texas Instruments $9⅛ to $146⅞, Motorola $3⅞ to $93¼ and Digital Equipment $2¾ to $103½. National Semiconductor rose $1 to $28.

SCM fell $2⅞ to $30⅞ after reporting sharply lower earnings, and Air Products and Chemicals declined $1⅞ to $41⅞ after it projected lower first quarter results.

THE AMERICAN SE Market Value Index rose 2.57 to 368.56, making a rise of 6.10 on the week. Volume 5.93m shares.

Canada

Stocks were mixed at midsession, with Gold issues off sharply but small gains posted in other issues.

The Toronto Composite Index was up 1.6 at 2,065.5, Metals and Minerals 0.9 to 2035.2 and Oil and Gas 0.9 to 3000.1. But Golds lost 76.2 to 4372.1.

Astral Bellevue, up 5 cents at $4.80, reported nine-month earnings of $1.9m ($420,000 a year ago).

Germany

Leading shares maintained a partial recovery from opening lows to close narrowly mixed, as uncertainty over the West German election continued to deter investor interest.

Nervousness over West German economic weakness, highlighted by further problems yesterday in the Korf Steel Group, is also depressing sentiment.

Brokers also blamed in part various interpretations of the new Deutsche Bundesbank monthly report for dampening widespread anticipation of a reduction in key interest rates and helping to pressure Bond prices.

But the Banking sector steadied after sharp falls Thursday, with Deutsche up DM 3 to DM 265.50.

Steels, however, showed little reaction to Korf's problems. Kloeckner rose DM 1.20 to 55.20.

Prices generally slipped on the Domestic Bond Market with Public issues finishing between DM 0.60 on the low side and DM 0.30 on the high side. Short maturities fared generally well, while longer maturities lost ground.

Bundesbank bought DM 38.1 worth of Domestic Public issues. Mark-denominated Eurobonds also finished mixed.

Tokyo

The market closed marginally lower on balance with profit-taking alternating with bargain hunting, resulting mainly from the uncertain short-term market outlook.

The Market Average shed 10.53 to 8,088.53 in fairly active trading of 620m (700m) shares.

But Defence related issues gained ground, reflecting Japan's decision to allow military technology exports to the U.S. Mitsubishi Heavy Ind rose Y13 to 253 and Kawasaki Heavy Ind Y8 to 177.

International populars such as Motors, Precisions and Light Electricals were easier in view of the overnight setback on Wall Street. Foreign investors were expected to be net sellers by a small margin, dealers said.

But Textiles, Paper-Pulps, Drugs, Steels and Shipbuilders were higher.

Oils fell on profit-taking inspired by uncertainty over the yen/dollar rate.

Switzerland

Domestic shares closed barely steady as selected issues came under pressure after Thursday's gains. But profit-taking was fairly light.

Banks opened slightly easier but regained initial losses. Insurance changes were small.

The Bond Market was steady as yesterday's 4 per cent Federal Bond result was well received.

Foreign issues were less active. Dollar stocks were mixed. Dutch Dutch Internationals eased, while Germans also closed mixed.

Milan

Broadly higher on Settlement day.

The market, and activity, were boosted by expectations of the near institution of investment funds and of a possible cut of rates on borrowed money.

Singapore

Firm on continued buying support in active selective trading.

The Straits Times Industrial Index rose 9.29 to 757.70.

Hotels, Properties, Commodities and the Second Trading section were also higher in line with the general trend.

Hong Kong

The Stock Market suffered its first setback in eight sessions, an extremely mild correction after a sustained rally.

The Hang Seng Index shed 3.98 to 866.34 on moderate turnover of HK$225.22m.

Brokers said that there was some profit-taking after the 110-point run-up on Index, but that the market appears to still have some upside momentum. They added that the correction on Wall Street overnight helped set off the selling here Friday.

Analysts said that overseas buyers continue to be placing orders here, which may bode well for the coming weeks. They generally expressed more optimism that the indicator will be able to break through 900 before meeting resistance.

Brokers noted concern over a report that Hongkong Land, off 7 cents at HK$4.10, was seeking an eight-year loan of between HK$3.5bn and HK$4bn, most of which would be used to convert existing short-term loans into eight-year maturities.

The company later confirmed, after the market closed, it is negotiating with banks on a rescheduling of debts from short-term into medium- and long-term maturities.

Australia

Share prices eased again in active trading, led by a sharp decline in the Banking sector following the Federal Cabinet's decision in principle, Thursday, to allow the entry of a limited number of Foreign banks.

The Banking sector was the only category to suffer a sizeable fall. ANZ shed 13 cents to $A3.69, Westpac 12 cents to $A2.66 and National Australia 9 cents to $A2.68, all in heavy trading.

Elsewhere market leaders and "Heavyweight" Mines rose in very active trading.

Gold issues that were highly fancied at the beginning of the week finished on a dull note. Kitchener were down 10 cents to $A1.85 and Kalbara 5 cents to 40 cents.

However, Peko managed a 10 cents rise to $A6.46.

Johannesburg

Gold shares quietly easier with the bullion price. "Heavyweight" losses generally ranged to 100 cents.

Closing prices for North America were not available for this edition.

NEW YORK

Indices

NEW YORK ACTIVE STOCKS

CANADA

DENMARK

HOLLAND (continued)

AUSTRALIA

JAPAN (Continued)

FRANCE

ITALY

NORWAY

SPAIN

HONG KONG

GERMANY

SWEDEN

JAPAN

SINGAPORE

SOUTH AFRICA

AUSTRIA

BELGIUM/LUXEMBOURG

SWITZERLAND

HOLLAND

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Calmer trading

Sterling managed to recover some of the ground lost recently in currency markets yesterday with a return to calmer trading. There was not too much activity apart from a few brief flurries in the morning with official denials of an early General Election helping the market to take a more relaxed attitude. Sterling's index closed at 81.6 up from Thursday's close of 81.3. A steady improvement was seen during the day with an opening calculation of 81.3 and a noon figure of 81.5. The pound opened at $1.5750 against the dollar and touched $1.5825 very early on before settling back to around $1.5800 for most of the morning.

It touched a best level of $1.5840 during the afternoon before finishing at $1.5825-1.5835, a rise of 35 points.

Against the D-mark it rose to DM 3.73 from DM 3.7050 and SwFr 3.0625 from SwFr 3.0350. It was also higher against the yen at Y365 from Y362½ and closed at FFr 10.5750 compared with FFr 10.5025. By far the strongest indication yet that oil prices may be reduced by Saudi Arabia in the spring appeared to have little effect on sterling.

The dollar showed an improvement over Thursday's closing levels in London but tended to finish towards the lower end of the day's range. It lost ground in late trading following moves by the U.S. Federal Reserve to add liquidity to the U.S. money market. However, much will depend on when the authorities reduce the discount rate. The dollar closed at DM 2.3540 from DM 2.3435 against the Deutsche Mark and SwFr 1.9340 from SwFr 1.9210. In terms of the yen it finished at Y230.5 from Y229.40 and FFr 6.68 from FFr 6.65. Its trade weighted index rose from 116.8 to 117.3.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 14	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9704	45.0342	+0.14	+1.52	±1.5501
Danish Krone	8.23400	8.07857	−1.89	−0.51	±1.6430
German D-Mark	2.33379	2.29297	−1.75	−0.37	±1.0888
French Franc	6.61387	6.50073	−1.71	−0.33	±1.3940
Dutch Guilder	2.57971	2.52689	−2.05	−0.68	±1.5004
Irish Punt	0.691011	0.691387	+0.05	+1.43	±1.6691
Italian Lira	1350.27	1317.34	−2.44	−1.64	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Jan 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5750-1.5840	1.5825-1.5835	0.35-0.30c pm	2.46	0.90-0.85 pm	2.21
Canada	1.9280-1.9360	1.9345-1.9355	0.17-0.07c pm	0.74	0.65-0.55 pm	1.24
Nethlnd.	4.08-4.12½	4.10½-4.11½	2½-1⅞c pm	6.20	6½-6 pm	6.08
Belgium	72.75-73.90	73.40-73.50	15-25c dis	−3.27	50-60 dis	−2.99
Denmark	13.08-13.17	13.13½-13.14½	8¾-11ore dis	−9.02	28¾-29½dis	−8.33
Ireland	1.1190-1.1300	1.1216-1.1226	0.38-0.48p dis	−4.49	0.99-1.15dis	−3.81
W. Ger.	3.70-3.74	3.72½-3.73½	2½-1⅞pf pm	6.84	5¼-4⅞ pm	5.49
Portugal	148.00-152.00	149.50-151.50	200-750c dis	−37.87	525-1795dis	−30.83
Spain	197.75-199.50	198.00-198.30	75-170c dis	−7.38	380-470 dis	−8.54
Italy	2129-2146	2141-2143	14-18 lire dis	−8.96	57-62 dis	−11.11
Norway	11.02-11.09	11.07-11.08	1½-2¼ore dis	−2.23	6¾-7¾ dis	−2.59
France	10.50-10.60	10.57-10.58	6-8c dis	−7.94	26-28 dis	−10.22
Sweden	11.44-11.52	11.50½-11.51½	1-¾ore pm	0.65	1-1½ dis	−0.48
Japan	361-367	364½-365½	1.60-1.40y pm	4.93	4.35-4.15 pm	4.66
Austria	25.95-26.27	26.18-26.23	13-10¾gro pm	5.44	37-32 pm	5.27
Switz.	3.04-3.08	3.06½-3.06½	2½-2¼c pm	9.31	6½-6 pm	8.18

Belgian rate is for convertible francs. Financial franc 78.10-78.20. Six-month forward dollar 1.58-1.54c pm. 12-month 2.75-2.55c pm.

THE DOLLAR SPOT AND FORWARD

Jan 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5750-1.5840	1.5825-1.5835	0.35-0.30c pm	2.46	0.90-0.85 pm	2.21
Ireland†	1.4035-1.4120	1.4055-1.4085	0.84-0.24c pm	7.61	2.38-2.13 pm	6.42
Canada	1.2210-1.2235	1.2210-1.2220	0.15-0.18c dis	−1.62	0.32-0.35dis	−1.13

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 49.35-49.45.

EXCHANGE CROSS RATES

Jan. 14	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.583	3.730	365.0	10.575	3.063	4.110	2142.	1.935	73.45
U.S. Dollar	0.632	1.	2.356	230.6	6.680	1.935	2.596	1353.	1.222	46.40
Deutschemark	0.268	0.424	1.	97.86	2.835	0.821	1.102	574.3	0.519	19.69
Japanese Yen 1,000	2.740	4.337	10.22	1000.	28.97	8.390	11.26	5868.	5.301	201.2
French Franc 10	0.946	1.497	3.527	345.2	10.	2.896	3.887	2026.	1.830	69.46
Swiss Franc	0.327	0.517	1.218	119.2	3.453	1.	1.342	699.4	0.632	23.98
Dutch Guilder	0.243	0.385	0.908	88.81	2.573	0.745	1.	521.2	0.471	17.87
Italian Lira 1,000	0.467	0.739	1.741	170.4	4.937	1.430	1.919	1000.	0.903	34.29
Canadian Dollar	0.517	0.818	1.928	188.6	5.465	1.583	2.124	1107.	1.	37.96
Belgian Franc 100	1.361	2.155	5.078	496.9	14.40	4.170	5.596	2916.	2.634	100.

MONEY MARKETS

Rates ease

UK clearing bank base lending rate 11 per cent (since January 12 and 13)

Day to day credit was again in short supply in the London money market yesterday. The Bank of England forecast a shortage of around £350m with factors affecting the market including bills maturing in official hands and a net take up of Treasury bills —£488m—and a rise in the note circulation of £200m. These were partly offset by Exchequer transactions of £360m. The Bank gave assistance in the morning of £109m, buying eligible bank bills in band 2 (15-33 days) at 11 per cent.

Further help was given in the afternoon of £200m comprising purchases of £84m of eligible bank bills in band 1 (up to 14 days) and £84m in band 2. In band 3 (34-63 days) it bought £8m of local authority bills and £34m of eligible bank bills, and in band 4 (64-84 days) £10m of eligible bank bills, all at 11 per cent. It also arranged sale and repurchase agreements on £90m of bills at 11 per cent, unwinding on January 18.

Interest rates were generally easier as the market calmed down. The slightly more relaxed attitude was partly a reflection of sterling's better performance following official denials to rumours of an early General Election. In the interbank market weekend money opened at 10¾-11¼ per cent and eased to 10¼-10½ per cent before rising to a high of 11½-12 per cent. Rates fell away later in the day to 10-11 per cent before finishing at 12 per cent.

LONDON MONEY RATES

Jan. 14 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	10-12	—	—	—	10¾-11½	10-11	—	—	—
2 days notice	—	—	11-11¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	11⅛-11⅜	—	—	—	—
7 days notice	—	11-11½	11-11¼	—	—	11¾	10¾-11	—	—	—
One month	11 1/16-11¼	11⅛-11 5/16	11⅛-11½	12⅛-11¾	11⅜	11¾	11	11	11 1/32	11 27/32
Two months	11⅜-11⅛	11¼-11 5/16	11¼-11⅜	12⅛-11¾	11¼	11⅝	10¾-10⅞	11	11	11⅝
Three months	11¼-11	11⅛-11⅛	11⅛-11 1/16	12⅛-11¾	11¼	—	10	10⅞-10 13/16	10 13/16	11 5/16
Six months	11-10 13/16	11⅛-11 1/16	11-11⅜	11⅛-10¾	11⅛	—	—	—	10⅛	11⅛
Nine months	11-10 13/16	11-11 1/16	—	11⅞-11½	11⅛	—	—	—	—	—
One year	11-10 13/16	11-11 5/16	11-11⅜	11¾-11⅜	11⅛	—	—	—	—	—
Two years	—	—	11½-11¾	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period December 8 1982 to January 4 1983 (inclusive): 10.833 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11⅞-12 per cent; four years 12-12¼ per cent; five years 12¼-12½ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 10¾-10⅞ per cent; four month trade bills 11⅛ per cent.

Approximate selling rate for one month Treasury bills 10⅞ per cent; two months 10⅞ per cent and three months 10¾-10 11/16 per cent. Approximate selling rate for one month bank bills 10 25/32 per cent; two months 10⅞-10 25/32 per cent and three months 10 25/32-10⅞ per cent; trade bills 11 13/32 per cent; two months 11⅜ per cent and three months 11 5/16 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 10½ per cent from January 1 1983. London and Scottish Clearing Bank Rates for lending 10-10¼ per cent. London Deposit Rates for sums at seven days' notice 7-8 per cent.

Treasury Bills: Average tender rates of discount 10.7517 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 11¼ per cent; one-three-month 11¼ per cent; three-12-month 11¼ per cent. Under £100,000 11½ per cent from January 14. Deposits held under Series 3-5 11¼ per cent. The rate for all deposits withdrawn for cash 8½ per cent.

OTHER CURRENCIES

Jan. 14	£	$		£ Note Rates
Argentina Peso	80,378-80,418	50,860-50,910	Austria	25.95-26.25
Australia Dollar	1.5965-1.6005	1.0110-1.0115	Belgium	77½-78½
Brazil Cruzeiro	410.83-411.83	259.69-260.99	Denmark	13.07-13.20
Finland Markka	8.3200-8.3400	5.2640-5.2660	France	10.51-10.61
Greek Drachma	129.946-133.259	83.25-84.25	Germany	3.70¼-3.74¼
Hong Kong Dollar	10.26¾-10.28¾	6.5050-6.5100	Italy	2115-2160
Iran Rial	131.10*	82.70*	Japan	360-365
Kuwait Dinar (KD)	0.455-0.456	0.2882-0.2884	Netherlands	4.09-4.13
Luxembourg Fr.	73.40-73.50	46.38-46.40	Norway	10.98-11.08
Malaysia Dollar	3.5850-3.5950	2.2710-2.2730	Portugal	150-182
New Zealand Dlr.	2.1580-2.1630	1.3645-1.3665	Spain	190¾-204½
Saudi Arab. Riyal	5.4300-5.4435	3.4395-3.4405	Sweden	11.42-11.52
Singapore Dollar	3.2650-3.2750	2.0680-2.0700	Switzerland	3.04½-3.08½
Sth. African Rand	1.6810-1.6820	1.0620-1.0625	United States	1.57-1.59
U.A.E. Dirham	5.7975-5.8115	3.6720-3.6740	Yugoslavia	127-132

*Selling rates.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 14	Short term	7 days notice	Month	Three Months	Six months	One Year
Sterling	11¼-11½	11¼-11½	11⅛-11½	11 1/16-11 5/16	11⅛-11¼	11⅛-11⅛
U.S. Dollar	8¾-9	8¾-9	8⅝-8⅞	8⅝-8⅞	8¾-9	9-9⅛
Can. Dollar	11½-12½	10½-11⅛	10¼-10½	9⅞-10⅛	9¾-10	9⅝-9⅞
D. Guilder	4⅞-5⅛	5 1/16-5 3/16	5 1/16-5 3/16	4⅞-5	4⅞-5	5-5⅛
S. Franc	¾-1	¾-1	1⅞-2	2½-2⅝	3-3⅛	3⅛-3¼
Deutschm'rk	5 5/16-5 7/16	5⅜-5½	5 5/16-5 7/16	5¼-5⅜	5⅜-5½	5 5/16-5 7/16
Fr'nch Franc	12½-13½	14⅛-15⅛	18½-19½	21-22	20-20¾	18¼-19¼
Italian Lira	16-19	18-20	18¾-20¾	21¾-22¾	22-25	21½-22½
Belg. Franc						
Conv.	11¼-12¾	12⅞-15⅛	14-15	14-15	15½-14½	12⅛-13
Fin.	11⅛-12	12-12¼	12⅛-12¼	12¼-12⅜	12¼-12⅜	12⅛-12⅜
Yen	6¼-6⅛	6¼-6⅜	6 5/16-6 7/16	6⅜-6⅛	6 5/16-6 7/16	6 5/16-6 7/16
D. Krone	17⅝-18⅛	19-19½	20¼-20¾	19¾-20¼	18¼-18¾	17⅞-18⅜
Asia $ (Sing.)	9-9⅛	8 15/16-9 1/16	8¾-8⅞	8¾-8⅞	8⅞-9	9⅛-9¼

FT LONDON INTERBANK FIXING

(11.00 a.m. JANUARY 14)

3 months U.S. dollars		6 months U.S. dollars	
bid 8 13/16	offer 8 15/16	bid 8 15/16	offer 9 1/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

Companies and Markets

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

REVIEW OF THE WEEK

Copper leads base metals price rise

BY OUR COMMODITIES STAFF

THE WEAKNESS of sterling and strength of precious metals prompted a general rise on the London Metal Exchange this week.

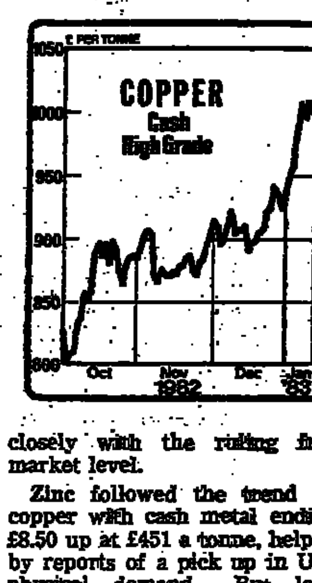
The busiest market was copper, with cash high-grade metal rising above £1,000 a tonne for the first time since August 1981. Shrugging off a 14th successive weekly rise in LME warehouse stocks, cash copper climbed to a 16-month high of £1,007.50 a tonne before ending the week £16.50 up at £999 a tonne.

The advance was mainly due to currency factors and improved economic hopes, but it was also aided by a force majeure declaration by the strike-hit Southern Peru Copper Corporation. This dispute was settled later in the week, however.

Dealers said the market became very nervous at the higher price levels and also noted a tendency to re-think earlier optimistic opinions on the prospects for a substantial economic recovery in the U.S. this year.

Copper's price rise was encouraged by the upsurges in gold and platinum, particularly the latter, which responded directly to flagging confidence in currencies generally. The free market platinum price ended the week $32.50 up at $469 a troy ounce, narrowing its discount against gold which rose $17.50 to $483 an ounce.

The advance took free market platinum briefly above the official producer price which stands at $475 a tonne and Rustenburg Platinum Mines of South Africa, the biggest producer, announced yesterday that it is to link its selling prices, except for long term supply contracts, more closely with the ruling free market level.



Zinc followed the trend on copper with cash metal ending £8.50 up at £451 a tonne, helped by reports of a pick up in U.S. physical demand. But lead finished £1.50 down at £305 with traders reporting no improvement in physical enquiry and also noting that the mild European weather had tended to hold down battery demand.

Tin prices were boosted by chart-based technical buying to the highest levels since September. Despite falling £40 yesterday cash standard tin ended the week £170 up at £7,562.50 a tonne.

Speculative buying lifted cocoa prices to the highest level for 12 months as higher-than-expected demand indications were published in West Germany and the U.S. and further doubts emerged about the size of the Ghanaian crop. May delivery cocoa on the London futures market ended £39 up on the week at £1,193.50 a tonne.

The West German cocoa bean grindings total for the final quarter of last year was up 3.7 per cent from the same 1981 quarter while the U.S. total was up 7.7 per cent. UK grindings figures, which were expected to be published yesterday, will not be available till next week. In Accra meanwhile the Ghana Cocoa Marketing Board announced that its been purchases for the first nine weeks of the current season amounted to only 123,421 tonnes, well down from the comparable 1982 period, during which 167,400 tonnes were purchased.

London coffee futures values reversed last week's decline to finish £37.50 up at £1,606 a tonne, after reaching £1,618.50 at one stage. The rise was attributed mainly to speculative buying.

BASE METALS

COPPER

LONDON OIL SPOT PRICES

	Latest	Change + or −
Iranian Light	28.75-29.50	−0.05
Arabian Heavy	28.60-29.00	+0.35
North Sea (Forties)	30.50-30.90	
African (Bonny L'ht)	31.65-32.00	

PRODUCTS—North West Europe CIF ($ per tonne)

Premium gasoline	296-305	
Gas oil	274-283	
Heavy fuel oil	163-167	−1.0

GAS OIL FUTURES

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Jan	278.50	—	278.75-76.00
Feb	271.75	+2.50	272.00-68.50
March	263.25	+0.25	264.50-61.50
April	258.00	—	258.00-56.50
May	255.25	+0.25	255.25-55.00
June	255.75	+0.25	256.00-55.50
July	255.25	−0.25	—
Aug	257.50	+2.50	—
Sept	257.25	+0.25	256.50-54.50

Turnover: 1,485 (1,812) lots of 100 tonnes.

GOLD MARKETS

Gold fell $4½ an ounce from Thursday's close in the London bullion market yesterday to finish at $482¼-483¼. The metal opened at $486¾-487¾ and traded between a high of $487½-488½ and a low of $480¾-481¾. Trading was fairly quiet ahead of the weekend with sufficient interest to keep gold above the $480 level.

LONDON FUTURES

Month	Yest'rday's close	+ or −	Business Done
	$ per troy ounce		
January	483.50-85.0	—	—
February	486.10-87.1	−2.000	487.60-82.5
March	490.00-91.0	−3.500	—
April	493.50-95.0	−3.650	495.50-90.0
May	496.50-98.5	−3.300	—
June	500.00-01.7	−3.550	496.00-97.0
July	503.00-06.5	−3.250	—

Turnover 959 (1,188) lots of 100 troy ounces.

	Jan. 14		Jan. 13	
Gold Bullion (fine ounce)				
Close	$482¼-483¼	(£305¼-306¼)	$487-488	(£309¼-308¼)
Opening	$486¾-487¾	(£308-308½)	$492¼-493¼	(£312¼-313)
Morning fixing	$485.75	(£305.803)	$491	(£312.103)
Afternoon fixing	$483.25	(£305.564)	$486.25	(£309.726)

Gold Coins Jan. 14

Krugerrand	$500-501	(£316¼-316¾)	King Sov	$117-119	(£74-75)
½ Krug	$257½-258½	(£162¾-163½)	Victoria Sov	$117-119	(£74-75)
¼ Krug	$131¼-132¼	(£83-83½)	French 20s	$102¾-105¼	(£65-66½)
1/10 Krug	$53½-54½	(£33¾-34½)	50 pesos Mex	$580-582	(£366¾-368¼)
Mapleleaf	$498-500	(£315-316¼)	100 Cor. Aust	$471-475	(£298-300½)
New Sov	$114½-115½	(£72½-72½)	$20 Eagles	$560-570	(£354¼-360½)
½ New Sov	$66½-68½	(£42-43½)			

AMERICAN MARKETS

NEW YORK, January 14

Precious metals rallied late in the day on strong rumours of a discount rate cut as well as on renewed concern about the stability of the international banking system with news of a government take-over of three major Chilean banks. The news from Chile was the spark which turned a stable copper market into a sharply advancing market, with short-covering and break-out chart buying the strongest influences. Technical buying, a colder weather forecast and a constructive distillate stock report moved heating-oil higher. Cocoa recovered on the favourable U.S. grind figure of a 7 per cent increase and on dealer reports that the Ghanian crop is coming in lighter than expected, reported Heinhold.

NEW YORK

COCOA 10 tonnes; $/tonnes

	Close	High	Low	Prev
March	1713	1715	1669	1668
May	1754	1759	1730	1710
July	1777	1780	1745	1735
Sept	1800	1800	1765	1765
Dec	1830	1830	1799	1795
March	1865	—	—	—

SUGAR WORLD "11" 112,000 lb. cents/lb

	Close	High	Low	Prev
March	6.26	6.27	6.13	6.17
May	6.68	6.69	6.54	6.61
July	7.05	7.05	6.89	6.95
Sept	7.36	7.40	7.25	7.28
Oct	7.64	7.66	7.54	7.53
March	8.66	8.69	8.55	8.53

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡Bargains at special prices. ♦Bargains done the previous day. Bargains done with non-member or executed in overseas markets.

CORPORATION AND COUNTY

BREWERIES

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS

(coupons payable London)

BANKS, DISCOUNT

Bank of Ireland (Governor and Co of) 7pcLn 1986-91 £62
Barclays Bank 8½pcLn 1986-93 £77½ 8½ ¼ 9 ¼. 12pcLn 2010 (Fp 17.6.83) £95¼ 6 ½ (10/1). 12pcLn 2010 (25Pd 17.6.82) £19½ ½ ¼ 20. 16pcLn 2002-07 £116½
Barclays Bank Intnl 7½pcLn 1986-91 £76½ ¾ 7½
Charterhouse Grp 8½pcLn 1990-95 £81¾ (12/1)
Commercial Bank of Near East £5(Reg) £11¾ (7/1)
Hambros 7pcLn 1986 £86 ½ (12/1)
Hill Samuel Grp 8pcLn 1989-94 £71

COMMERCIAL, INDUSTRIAL

A—B

AE 8pcLn 1989-94 £52 6
AECI 5½pcPf (R2) 30 (10/1)
AI Industrial Products 6pcPf (£1) 27 (10/1)
AMEC (50p) 250 1 2 3 4. 15pcLn 1992 £104¼ ½ 5½ ¼
A.P.V. Hldgs 4.55pcPf (£1) 49 (11/1). 10pcDb 1990-95 £83 (10/1). 10½pc Ln 1997-2002 £180 (11/1)
Aaronson Bros 4.25pcPf (£1) 44½ 5½ 5 (7/1)

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

MINES—Miscellaneous

MINES—South African

OIL

PROPERTY

FINANCIAL TRUSTS

INSURANCE

PLANTATIONS

INVESTMENT TRUSTS

SHIPPING

UTILITIES

WATER WORKS

UNLISTED SECURITIES MARKET

Unigate 5½pcDb 1983-88 £75 (11/1). 7½pcDb 1986-91 £79½ (11/1). 5pc Ln 1991-96 £52 ½. 6½pcLn 1991-96 £53. 6½pcLn 1992-97 £55
Unilever 7pc1stPf (£1) 61 (11/1). 6½pc Db 1985-88 £81. 5½pcLn 1991-2006 £48½. 7¾pcLn 1991-2006 £64½ ¾ 5 ¼ ½
Unilever NV 7pcPf (£1) 140 (7/1)

Scottish United 5pc Prf £44 (10/1). 6½pc Deb 1985-90 £72 (12/1)
Second Alliance 4½pc Prf £40 (10/1). 5¼pc Deb 1980-85 £87½ (10/1)
Securities Trust of Scot 4½pc Prf £39 (11/1). 7pc Deb 1988-93 £70½ (12/1)
Stockholders Invest 4½pc Prf £39½ (7/1). 5½pc Prf £46 (7/1)
TR Australia Wts to subsc for Ord 75
TR City of London Pfd 140 (12/1)

Eldridge Pope A (£1) 504 8½
Exeter Buildings (50p) 172 (11/1)
First Talisman Invest. (20p) 30
Fitch Co. Design (10p) 238 40
Fuller, Smith Turner A (£1) 560 (10/1)
Garfunkels Restaurants (10p) 112 2
Industrial Finance 75 7
Inn Leisure (5p) 32. New (5p) 32 3
Knight Computer Int (5p) 26½ ½ 7 (12/1)

RULE 163 (4) (a)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

Conroy Petroleum Natural Resources 78
Kenmare Oil Exploration

(By permission of the Stock Exchange Council)

Transcontinental's £2.25m

FIRST figures from Transcontinental Services Group, a new holding company, which last December acquired Esperanza International Services and J. Rothschild International Investments, show pre-tax profits of £2.25m from turnover of £32.88m, for the six months to September 30 1982.

As Transcontinental had not traded prior to September 30, the results therefore comprise only those of Esperanza and its subsidiaries for the six months to that date.

In the corresponding period last year, Esperanza and its subsidiaries reported pre-tax profits of £2.02m from turnover of £29.65m. Net financial charges this time took £202,000 (£280,000) and tax was £1.29m (£1.31m). Minorities account for £180,000 (£262,000).

As previously stated, it is the board's intention to declare gross dividends of 9.57p in respect of the year to March 31 1983. This is the gross equivalent of the interim and final dividends of 2.5p (4.2p) paid by Esperanza in respect of year ended March 31 1982.

In addition to the above, on December 14, 1982, Esperanza declared a special dividend of 1.75p net and this was paid on January 12.

At the beginning of March, 1983, there will be a bonus issue to shareholders of warrants to subscribe for one Transcontinental share for every 10 held. These warrants will be exercisable at a price of 140p on October 31, in each year from 1983 to 1992.

The directors say the group is now actively pursuing the objectives which were set out in the letter to shareholders dealing with the proposals for the creation of the Transcontinental group.

EUROPEAN OPTIONS EXCHANGE

Series		Mar. Vol.	Mar. Last	Jun. Vol.	Jun. Last	Sep. Vol.	Sep. Last	Stock
D FL P	F.260	10	7.50	80	11	—	—	F.259.80
D FL P	F.265	—	—	64	15	—	—	"
D FL P	F.270	1	13 A	—	—	—	—	"
D FL P	F.275	—	—	—	—	5	28	"
		Feb.		May		Aug.		
GOLD C	$375	5	116	—	—	—	—	$484
GOLD C	$400	14	91	—	—	11	110	"
GOLD C	$425	14	61	6	80	—	—	"
GOLD C	$450	35	41	14	62	30	76	"
GOLD C	$475	53	25	59	47	17	66	"
GOLD C	$500	41	15.10	101	36	15	52	"
GOLD C	$550	187	5	144	19	—	—	"
GOLD P	$400	—	—	5	4	—	—	"
GOLD P	$425	5	1.20	—	—	95	19	"
GOLD P	$450	15	4	321	11	73	17	"
GOLD P	$475	15	12	25	25	—	—	"
GOLD P	$500	—	—	232	37	—	—	"
12½ NL 81 87 91								
C	F.125	60	11.20	—	—	—	—	F.136.50
C	F.127.50	50	8.80	60	8.70	100	9.50	"
C	F.135	—	—	262	3.50			"
C	F.140	—	—	215	1.70	25	2.50	"
P	F.130	—	—	25	1.30	10	2.60 B	"
10¼ NL 80 86 95								
C	F.117.50	—	—	10	2.60	—	—	F.116.60
11½ NL 82 88 92								
C	F.112.50	80	6.80	16	7	—	—	F.119.20
C	F.117.50	—	—	—	—	50	5	"
C	F.120	65	1.80	—	—	28	3.50	"
P	F.117.50	30	0.70	—	—	—	—	"
P	F.120	60	1.70	—	—	—	—	"
10 NL 82 II 86-89								
C	F.102.50	—	—	20	11.50 B	—	—	F.114.20
7½ NL 82 89-93								
C	F.102.50	—	—	306	1.80	—	—	F.101.50
C	F.100	—	—	20	1.10	—	—	"
P	F.102.50	—	—	25	2.10	—	—	"
7½ NL 83 87 90								
C	F.100	—	—	248	2	—	—	F.100.50
C	F.102.50	—	—	491	1.10	—	—	"
P	F.100	—	—	370	1.50	—	—	"
		Jan.		April		July		
ABN C	F.320		—	28	6	—		F.301
AKZO C	F.30	—	—	102	8.50	30	9	F.39
AKZO C	F.32.50	—	—	64	6.70			"
AKZO C	F.35	—	—	65	4.50	81	5	"
AZKO C	F.40	—	—	94	2.60	144	3.30 A	"
AKZO P	F.35	—	—	40	1.50	20	3	"
AKZO P	F.40	—	—	20	3.80	—	—	"
AMRO C	F.45	50	1.10	62	3	—	—	F.46.30
AMRO P	F.40	—	—	30	1.40	—	—	"
AMRO P	F.45	—	—	28	3.50 A	—	—	"
GIST C	F.130	—	—	18	8.60	15	10	F.130.50
GIST P	F.120	—	—	40	4.80	—	—	"
HEIN C	F.90	—	—	36	18.50	—	—	F.108
HEIN C	F.100	—	—	37	12 B	—	—	"
HEIN C	F.110	—	—	—	—	27	10	"
HEIN P	F90	—	—	18	1.70	—	—	"
HEIN P	F.100	—	—	20	4.70	—	—	"
HOOG C	F.17.50	—	—	25	0.90	—	—	F.15.30
KLM C	F.120	27	28 B	—	—	—	—	F.148.80
KLM C	F.140	19	9.50	—	—	—	—	"
KLM C	F.150	114	4	89	15.40	—	—	"
KLM P	F.110	—	—	18	3.60	—	—	"
KLM P	F.140	—	—	16	15	—	—	"
KLM P	F.150	16	4.40	—	—	—	—	"
NEDL P	F.100	—	—	17	7.50	—	—	F.97
PHIL C	F.25	1	5.30 A	63	5.70	8	6 A	F.30.20
PHIL C	F.27.50	170	2.70 B	218	3.70 B	86	4 A	"
PHIL C	F.30	1558	0.50	574	2.10	271	2.60	"
PHIL C	F.32.50	—	—	192	1.20	73	1.60	"
PHIL P	F.27.50	—	—	27	0.60	110	1.10	"
PHIL P	F.30	250	0.60	456	1.50	84	2.20	"
RD C	F.90	76	9.60	19	11.50	34	11.60	F.99.40
RD C	F.100	321	1.50	139	5.80	73	6.70 B	"
RD P	F.90	—	—	45	1.80	91	3	"
RD P	F.100	64	1.90	43	5	31	5.80	"
UNIL C	F.200	32	1.30	2	7	1	11	F.196.90
UNIL P	F.180	—	—	14	4.20	10	6.90	"
		Feb.		May		Aug.		
MANN C	DM 150	40	1.50	—	—	—	—	DM148.90

TOTAL VOLUME IN CONTRACTS 11,082

A=Asked B=Bid C=Call P=Put

U.K. CONVERTIBLE STOCK 15/1/83

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates♣	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div▽	Current	Cheap(+) Dear(−)◇
British Land 12pc Cv. 2002	9.60	246.50	333.3	80-97	4.9	2.6	−1.3	−4 to 2	32.0	85.0	21.6	+20.5	
Hanson Trust 9½pc Cv. 01-06	81.54	195.00	71.4	85-01	5.1	3.2	0.4	−1 to 5	85.0	75.3	−10.1	−10.5	
Slough Estates 10pc Cv. 87-90	5.03	192.50	234.4	78-84	5.2	—	−7.7	−13 to −3	17.6	9.2	−4.0	+3.7	
Slough Estates 8pc Cv. 91-94	24.72	95.50	97.5	80-89	8.4	8.7	10.1	3 to 15	28.7	34.0	6.2	−3.9	

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ▽ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness. ♣ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

هكذا من الاصل

مكبر من الأصل

INTERNATIONAL COMPANIES and FINANCE

Sharp cut in Carrian group's asset rating

A confidential report has been prepared by a merchant bank concerning the spectacular decline of one of Hong Kong's leading property groups. Robert Cottrell reveals some of its key conclusions

HONG KONG'S Carrian Group has declined almost as spectacularly as it rose on the back of the colony's property boom of 1979-81 according to a confidential document sent out to bankers who have lent HK$2.9bn (U.S.$445m) to the quoted Carrian Investments (CIL), and HK$1.4bn to its unquoted parent Carrian Holdings (CHL). The group's assets are shown in the document as being slashed to a fraction of their former book value, with the balance sheets revealing the ugly underbelly of a group which geared itself up to the limit in a rising market, and then dropped like a stone on a falling one.

The history of Carrian has been brief and spectacular. A group of private investors, whose identities are still shielded by a nominee company, was known to be active in the Hong Kong property market at the turn of 1979-80. In February 1980, it took over a modest quoted property concern and renamed it Carrian Investments.

That year, CIL was the vehicle for turning a HK$700m gross profit on the speedy purchase and re-sale of a Hong Kong office block, Gammon House. The buyers were unquoted interests of the Bylamson Group, which is controlled by the younger members of a Hong Kong banking family. Bylamson's name appears frequently in the Carrian story.

In 1981, Carrian bought majority stakes in Grand Marine, a shipping company, and in China Underwriters, an insurance group, paying some HK$400m for each. It also announced the HK$481.6m sale of a 17.7 per cent stake in Union Bank, to Bylamson interests.

According to the confidential documents on Carrian issued last week there was a less than happy outcome to this deal as Bylamson failed to meet an instalment due at the end of 1982 on the Union Bank shares, and hence forfeited amounts so far paid.

Carrian also joined with the Hongkong Land Company in making what was the world's then most expensive property purchase, on deferred terms, of the HK$2.8bn Miramar Hotel site, in August 1981. At the purchase date, the Carrian Group took a 60 per cent overall interest, Hongkong Land a 25 per cent interest, and minority partners the balance.

After some subsequent shuffling, the present consortium, as broken down in the Carrian document, is 35 per cent Carrian Group, 50 per cent Hongkong Land and 15 per cent minority partners.

CHL has a repurchase commitment of HK$158m on an additional 15 per cent of Miramar which it passed on to Hongkong Land. That HK$158m was then used by Carrian to part-finance a residential property joint-venture with Honkkong Land in mid-1982.

Another buyback guarantee hanging around CHL's neck is a commitment to repurchase almost HK$400m worth of CIL shares placed with institutional buyers in mid-1982. That guarantee falls due in the six months from October of this year.

Contingent liabilities of CIL total HK$2.4bn and of CHL, HK $246m.

Since Carrian declared its liquidity problems on October 26, its ultimate owners have injected HK$82m into CIL and HK$83m into Carrian Holdings to meet immediate cash needs. They have promised a further HK$250m to the group as a whole if the bankers will agree to debt rescheduling. Most of that will go to repay loans from CIL to Carrian Holdings.

When CIL declared its problems in October, it faced loan principal repayments of HK$700m in 1982 and HK$1bn in 1983, which now hang fire on the mooted rescheduling.

However, while Carrian's ultimate owners can now apparently command substantial sums of cash, it is far from clear that the group ever represented the fabulous source of hidden wealth which some investors believe in. The present edifice is built on other people's money, most of it borrowed short-term.

BALANCE SHEET

	Book values on 30.11.82	Current estimate*
CARRIAN INVESTMENTS	HK$m	HK$m
Total assets	5,742	3,120
Net assets	3,007	213
Shareholders funds	2,956	162
Minority interests	51	51
CARRIAN HOLDINGS:		
Total assets	2,543	370
(of which investments in Carrian Investment, shares at cost)	(1,967)	(86)
Net assets	1,037	−1,136
Shareholders funds	1,007	−1,150
Minority interest	31	13

* Represents the estimated written-down value if the group was forced into liquidation.

Source: A confidential report prepared by Wardleys, the merchant banking arm of the Hongkong and Shanghai Banking Corporation, sent to Carrian's bankers

Korf Stahl applies for court protection

BY JAMES BUCHAN IN FRANKFURT

KORF STAHL, the European holding company for Herr Willy Korf's steel and industrial plant group, yesterday applied for court protection from its creditors through composition proceedings. It has liabilities of some DM 150m ($64.1m).

Herr Korf, 53, said in Frankfurt yesterday that "an evaporation of confidence among creditors" had forced Korf Stahl to follow Korf Industrie und Handel, the master company entirely owned by Herr Korf, and Badische Stahlwerke, the group's chief domestic steel-producing subsidiary, into composition proceedings (vergleich).

Korf Stahl, 70 per cent owned by Korf Industrie und Handel and 30 per cent by Kuwait, might have survived at the end of last week when Korf Industrie und Handel went into vergleich with debts of some DM 300m, said Herr Korf.

However, the decision of Badische Stahlwerke, independent of the Korf Stahl board, to seek court protection on Monday had drawn the rug out from under talks with banks and suppliers on a new corporate concept, he declared.

Herr Korf said that he remained chief executive of Korf Stahl, which made losses of DM 45m on sales of just under DM 1bn last year. However, Herr Johannes Welbergen, supervisory board chairman, said there had been discussion over whether Herr Korf should be relieved of some of the pressure of work.

Herr Welbergen spoke bitterly about Badische Stahlwerke's decision to seek its own solution through the state government of Baden Wuerttemberg and local banks. Badische Stahlwerke, 90 per cent owned by Korf Stahl, turned in a balanced result last year and made sales in 1981 of DM 310m.

Herr Korf said he was confident that the group's 3,000 jobs in Germany could be protected and that other domestic subsidiaries would not be drawn into composition proceedings. However, as part of a concept for a slimmed-down operation, Korf Stahl has been seeking to detach its second German steelmaking subsidiary, Hamburger Stahlwerke, in which Kloeckner-Werke has a stake and which is working badly under capacity and lost DM 20m in 1981. The two steel operations were owed DM 80m by Korf Industrie und Handel.

The chief question mark stands against Korf Industries Inc, Korf Stahl's equivalent holding company for steel and engineering operations in North America, which has been making heavy losses. Herr Korf said that the U.S. operation, based in Charlotte, North Carolina, had no financial ties with Germany. "Problems in America will be resolved in America," Herr Welbergen said.

Daimler-Benz Brazil lay-offs

By Stewart Fleming in Frankfurt

DAIMLER-BENZ, the West German motor manufacturer, is cutting the workforce of one of its main overseas truck manufacturing subsidiaries, Mercedes-Benz do Brasil, by one-fifth following a dramatic drop in sales from DM 2.6bn ($1.1bn) in 1981 to DM 2bn last year.

Notice has already gone out to 2,900 of the 14,600 employees at the Brazilian subsidiary. The move follows a sharper cut in the Brazilian truck company's workforce in 1981 when 5,200 employees had to be dismissed.

Output of the Brazilian subsidiary has dropped by around one-third.

Socal warns of steep dip in profits

By Paul Betts in New York

STANDARD OIL of California (Socal), the fourth largest U.S. oil company and one of the four big U.S. buyers of Saudi Crude, has reduced its lifting of Saudi Crude by around half to some 700,000 barrels a day, and warns that the company's earnings for 1982 would be sharply lower, although "not quite as bad as 50 per cent," compared to 1981.

Socal, like the other so-called Aramco partners including Exxon, Mobil and Texaco, has been squeezed by its purchases of higher priced Saudi Crude compared with current spot oil price levels and prices from other large producers.

Mr George Keller, Socal's chairman, said he doubted that a cut in the current Saudi benchmark oil price of $34 a barrel would be a solution to the problem. A cut in production by Saudi Arabia and its allies was more likely, he reckoned.

"There has to be production restraint by somebody. But for the Saudis to do it by themselves is probably not politically acceptable," he remarked.

Mr Keller declined to reveal fourth quarter 1982 earnings. In 1981, the final period produced earnings of $571m or $1.67 a share on revenues of $11.9bn. For the whole of 1981, net income was $2.38bn or $6.96 a share on revenues of $45.2bn.

In the first nine months of 1982, Socal earned $952m or $2.78 a share on revenues of about $28.1bn — a decrease of 47 per cent from the 1981 period's $1.8bn earnings, equal to $5.29 a share on revenues of $34.4bn.

The final downturn is not expected to have any effect on the company's regular 60 cents a share quarterly dividend, Mr Keller said.

Litton Industries bids $233m for Itek

BY PAUL TAYLOR IN NEW YORK

LITTON INDUSTRIES, the U.S. defence and electronics group, is making an agreed bid worth a total of about $233m for Itek, the high technology defence group.

Under the agreement announced yesterday by Mr Fred O'Green, Litton's chairman and chief executive and Mr Robert Henderson, chairman and chief executive of Itek, the companies will be merged through a two-step cash tender offer beginning on Monday.

As part of the agreement Itek has agreed to sell 748,500 shares or 18.5 per cent of its 4.04m common shares to Litton at $40 a share. Under the tender offer, Litton is bidding $48 a share for any and all of Itek's commno stock, followed by a merger in which Litton will pay $48 a share for any shares not tendered.

In addition, Litton is offering to pay $1,492.54 per $1,000 of Itek's 25-year 8 per cent convertible subordinated debentures issued in 1980, which have a face value of $30m.

In the first nine months of last year Itek reported a $1.18m loss on sales of $245.3m compared with a profit of $1.92m on sales of $226.9m in the same period in 1981.

However, the company's third quarter earnings showed some improvement, bolstered by Government defence contracts. The company's defence electronics and optical divisions are both running about 50 per cent ahead of last year with radar warning systems and simulator systems spurring the gain.

Litton confirmed yesterday that its principal interest in Itek was the company's electronics warfare business, which manufactures radar and other equipment, and its optical business which mainly produces military equipment for reconnaissance and surveillance.

In November Litton reported its third consecutive quarterly earnings decline with first quarter earnings to end-October falling 31.6 per cent to $53m from $77.5m in the corresponding quarter of 1981.

Republic Steel forecasts substantial loss for 1982

BY OUR NEW YORK STAFF

REPUBLIC STEEL, the fifth largest U.S. steel maker, said yesterday that it expects to report a "substantial" loss for the final quarter, although it should be less than the $74.6m third quarter loss and added that it also expects another loss in the current quarter.

The Cleveland-based company made the disclosure in a regulatory filing covering a proposed $50m offering of cumulative convertible stock.

The filing also reveals that the steelmaker has been trying to reduce its losses, which totalled $178.6m in the first nine months compared to a $168.4m net profit in the previous year's first three quarters, by sharply reducing its operations during the worst steel market since the 1930s.

In the fourth quarter Republic's facilities were operating at about 26 per cent of capacity, down from 43 per cent in the previous quarter but also well below the 55 per cent industry average in the last few months of 1982. The break-even point for U.S. steel production is between 60 and 70 per cent capacity utilisation.

The filing also reveals that Republic's working capital dropped sharply to $287.1m at the end of September from $486.7m at the end of 1981.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard EC4P 4DX 01-236 1853

High Income				
Gilts & Fixed Int.	110.4	116.8	+1.5	10.81
High Inc Equity	42.1	45.5	+0.3	8.65
Capital Growth				
American Growth	84.2	90.5	−1.1	1.10
Assets & Earnings Tr.	48.7	52.7	+0.1	2.85

[illegible]

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)
Salisbury House, 31, Finsbury Circus, London EC2
01-638 0478/0479 or 01-588 2777

UK Specialist Funds				
Assets	125.4	135.2	+0.9	4.50
Recovery	45.2	48.7	+0.5	3.96
Smaller Cos.	71.5	77.2	+0.8	2.68
Spec. Mkt. Sits.	62.6	67.5	+0.9	2.37
UK Blue Chip	45.7	49.3	+0.4	3.93
High Income Funds				
Nat. High Inc.	87.0	93.8	+1.2	7.62
Extra Inc.	37.3	40.2	−1.1	9.51
Inc. & Growth	92.4	99.6	+1.2	6.58
Gilt	25.0	26.8	+0.5	10.07
Pref. Shares	18.2	19.6	+0.1	11.22

[illegible]

Duncan Lawrie Fnd. Mgrs. (g)
1, Hobart Place, London SW1W 0HU. 01-245 9321

Growth	15.9	17.1	+0.1	5.30
Income	30.8	33.1	−0.3	10.00
Overseas	58.0	62.4	+0.2	7.00

[illegible]

Henderson Administration (a) (b) (c)
Premier UT Admin., 5, Rayleigh Road, Hutton, Brentwood, Essex. 0277 217238

U.K. Funds				
Special Sits.	62.7	67.4	+0.9	1.72
(Accum. Units)	84.2	90.5	+0.7	1.72

[illegible]

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114

Equity Accum. (2)	322.8	347.2	.....	3.57

Local Authorities' Mutual Invest. Tst.*

[illegible]

National Westminster (a)
161, Cheapside, EC2V 6EU. 01-726 1999

Capital (Accum.)	168.6	181.2	+1.6	1.73
Energy Tst.	47.8	51.4	+0.2	1.26
Extra Inc.	79.3	85.2	+1.7	7.43

[illegible]

Save & Prosper—continued

Sector Funds				
Commodity	147.6	158.8	−1.4	2.36
Energy	122.2	131.5	−0.9	1.93
Exploration Fund (z)	34.9	37.5	−0.3	0.21
Financial Secs.	120.9	130.1	+0.4	2.94
New Technology (z)	69.8	75.1	+0.6	0.23
Scotbits	57.0	61.6	−0.4	3.27
Special Situation Fd.	46.4	50.7	+0.4	3.90
Intl. Bond Fd.	74.8	80.6	+0.4	1.81
Exempt Funds				
Exempt Income*	227.7	240.3	.....	7.06
Exempt Intl.*	428.2	451.9	.....	1.27
High Int. Bank Account				
Deposits				11.31

[illegible]

Tyndall Managers Ltd.(a)(b)(c)
18, Canynge Road, Bristol. 0272 732241

Capital	268.6	280.0	+1.2	3.51
(Accum. Units)	306.0	324.6	+2.0	3.51
Income	106.4	113.0	+0.8	8.98
(Accum. Units)	273.4	290.0	+2.4	8.98
Pref.	98.8	106.4	−0.2	11.73
(Accum. Units)	188.8	203.0	−0.2	11.73
Exempt	146.4	157.4	+1.2	8.60
(Accum. Units)	275.2	296.0	+2.2	8.60
Int. Erns.	88.0	94.8	+0.2	4.16
(Accum. Units)	117.8	126.8	+0.2	4.16
North Amer. Grth.	87.8	93.5	−1.3	1.94
(Accum. Units)	97.4	103.7	−1.4	1.94
Far Eastern	84.5	89.9	−0.7	2.06

[illegible]

INSURANCES

[illegible]

Markets regain some composure as pound stabilises
Gilts extend Thursday's rally and equities follow

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Dec 31	Jan 13	Jan 14	Jan 24
Jan. 17	Jan. 27	Jan. 28	Feb. 7
Jan 31	Feb 17	Feb 18	Feb 28

* "New-time" dealings may take place from 9.30 am two business days earlier.

London financial markets traded more normally yesterday, regaining some composure after earlier in the week witnessing upsets and, at times, near-panic because of the swift downward adjustments in sterling and the U.S. dollar. The pound has steadied since Tuesday's rise of a point to 11 per cent in UK bank base rates and the stability continued yesterday.

In a less highly-charged atmosphere, Gilt-edged securities yesterday extended the previous recovry. The Prime Minister's attempt to subdue speculation about an early election was another help. So, too, was news of the Bank of England's granting of a temporary £1bn facility to the UK banking system for the sale and repurchase of Gilt-edged stocks and other paper debt to ease pressure on liquidity over the main tax-gathering season.

A combination of renewed investment demand, increased switching operations and speculative bear-closing carried Gilts of all maturities up by some 1¾ before enthusiasm waned. Longer-dated stocks later slipped to close around 1¼ up on balance, while an impressive short-dated market displayed gains ranging to 1½. Measuring the recovery, the FT Government Securities index rallied 0.86 more to reduce its loss on the week to 1.55, about 2 per cent, at 78.56.

Industrial shares followed the example set by the Funds. Investors were not put off by Wall Street's overnight reaction although orders were for smaller parcels of shares, indicating that institutional operators were holding fire. This led to speculation that the advance largely represented a squeeze on professional bear positions. After the official, 3.30 pm close, the movement gathered fresh impetus as business then is permitted without penalty for the trading Account starting on Monday.

As a result, the FT Industrial Ordinary share index closed 9.6 up at 614.2 after showing a gain of around three points at the first calculation and one of about six points at 3 pm; on the week, this measure was a net 6.8 down. Of the index constituents, Thorn EMI yesterday featured strongly after the interim statement.

Kingdom of Sweden 13½ per cent 2010 made a lively debut, trading between £25 and £25¾ in partly-paid form before closing at £25½; around £9m of the £50m issue was left on application with the underwriters.

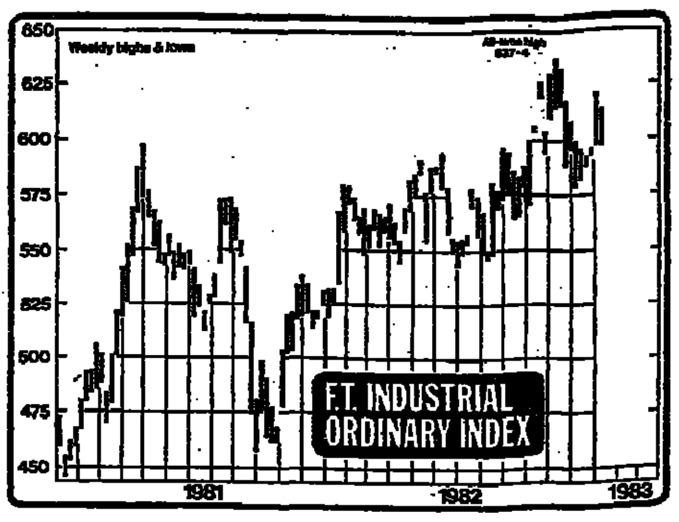
Continuing to draw strength from Tuesday's one point rise in base lending rates, and helped to a certain extent yesterday by the Bank of England's move to ease pressure on the money market, the major clearing banks again moved up sharply. Persistent investment support in a market none-too-well-supplied with stock left closing gains ranging to 25. NatWest touched 506p before closing that amount up and 52 dearer on the week at 502p, while Lloyds closed 20 higher at 432p. Barclays appreciated 16 more to 418p, after 420p, and Midland firmed 7 to 322p, after 328p. Australian issues, on the other hand, gave ground following the federal Government's decision to admit about 10 foreign banks into Australia. Westpac and National Commercial Banking Corporation of Australia both lost 10 to the common level of 165p. Elsewhere, Guiness Peat, at 53p, were unmoved by news of the £3.3m interim deficit. Sturla opened higher at 7½p before reacting to close unaltered at 5½p following the annual results.

Life Assurances took Thursday's technical rally a stage further. Pearl picked up 10 to 510p and Legal and General retrieved 9 more at 335p, while Prudential gained 8 to 335p. C. E. Heath featured Lloyds Broker with a rise of 22 to 322p.

Cider makers made substantial progress with sentiment aided by further favourable Press comment. H. P. Bulmer firmed ½ to £10¾, while Merrydown Wine closed 30 up for a two-day gain of 60 at 450p.

Particularly dull recently on worries about interest rates, leading Buildings staged a useful rally. Barratt Developments picked up 8 to 454p, while George Wimpey, still attracting call option business, put on 5 for a two-day gain of 9 to 125p. Blue Circle, down 7 on Thursday on reports that cheap cement imports were soon to be available, rallied 9 to 434p. After Thursday's jump of 13 on Redland's counter-bid, Ibstock Johnsen reacted to 99p before closing a net 5 off at 101p on fears that both London Brick's original offer and Redland's bid will be referred to the Monopolies Commission. Redland hardened a couple of pence to 227p while London Brick held at 126p. Elsewhere, Crouch Group firmed 4 to 94p; the resolution to remove former chairman Mr Ronald Clempson from office as a director was passed by shareholders. John Mowlem gained 12 to 228p on new-time buying.

Virtually unscathed in the recent shake-out because of overseas earnings considerations, ICI attracted fresh support and put on 14 to a 1982/83 peak of 366p on talk that profit estimates had been upgraded. Among other Chemicals, Novo Industries B rose 3½ points to £150.



Stores finished an active and volatile Account on a relatively firm note with the leaders displaying double-figure gains in places. Gussies A, 570p, W. H. Smith A, 250p, and Burton, 323p, all closed 10 higher, while Marks and Spencer hardened 3 but still retained a fall on the week of 17 at 207p. MFI, hard-hit in the recent shake-out among discount retailers on dearer credit terms, rallied 7 to 140p; the interim results are scheduled for next Thursday.

Movements of note among secondary Stores centred on special situations. An outstanding speculative favourite in the latter part of last year, Mellins attracted revived demand and spurted 26 to 134p. NSS Newsagents, dull of late following the announcement of a £5.7m rights issue, rallied 4 to 112p, while Northern Goldsmiths, awaiting next week's meeting that may lead to an offer being made for the company, advanced 10 to record a gain on the week of 24 at 110p.

Thorn EMI featured the Electrical leaders, jumping 22 to 437p in response to the much-better-than-expected interim profits. Plessey recovered from 618p to finish unaltered at 625p but Racal softened 4 more to end 62 down on the week at 535p with sentiment still depressed by recent adverse comment and a leading broker's downgrading of an earlier profits forecast ahead of first-half results scheduled for Tuesday. Elsewhere, a reported bid denial from Arlen temporarily halted the heady advance as they dropped to 148p, but a resurgence of speculative buying on continuing hopes of an offer from Thorn EMI saw them rally to close a net penny dearer and some 52 up on the week at 162p; the new nil-paid shares ended 2 harder at 137p, after 130p. The announcement of a £2m cash injection into Quest CAE in exchange for a controlling interest in the subsidiary helped Quest Automation to advance 8 to 55p, after 62p, while improvements of 7 and 9 respectively were seen in First Castle Securities, 92p, and Fobel, 120p. Security Tag Systems jumped 30 to 420p and International Signal and Control, still on Press comment, firmed 12 more to 290p. Reflecting second-half recovery hopes, Henry Wigfall rose 15 to 185p. Grosvenor, which last week announced a £2¾m rights issue to help finance the acquisition of Floform from GKN, found renewed support and gained 4 to 42p.

Interest in the Engineering sector was at a fairly low ebb. The recent slide in sterling, however, again directed attention to possible beneficiaries. Vickers encountered further support and touched 109p before settling 5 up for a week's rise of 13 to 106p. Hawker moved up 8 to 354p, while GKN finished a penny dearer at 131p. Elsewhere, a rise of 6 to 115p in Babcock partly reflected a squeeze on bear positions. Demand persisted for Habit Precision, which put on 7 further to 51p. Simon improved 6 to 338p. Haden, on the other hand, continued to drift lower and eased 4 more to 233p along with Matthew Hall, a similar amount down at 192p.

Foods attracted a moderate two-way business before buyers eventually gained the upper hand and left Associated Dairies a net 8 up at 158p and Tesco 2 dearer at 119p. J. Sainsbury hardened 3 to 393p, while William Morrison gained 6 to 172p, the latter on the acquisition of three Mainstop Superstores from Bats for £3.9m. Elsewhere, S. & W. Berisford firmed 4 to 201p awaiting Monday's preliminary results.

Hotels and Caterers featured Trusthouse Forte, which gained 8 to 158p; the annual results are due on January 19 and yesterday the group confirmed the sale of its leisure division to First Leisure Corporation for £37.5m. Stakis were quoted at 63p ex the rights issue; the new nil-paid shares opened at 5p premium and drifted back to 3p premium.

James Wilkes provided an outstanding feature in miscellaneous industrials, leaping 92 to 347p on persistent speculative buying in a restricted market; the sharp rise prompted a statement from the company denying any knowledge of a reason. Investment buying lifted Wellesley-Hughes 15 to 590, while speculative demand left Sangers 5 up at 47p. Hollis Bros and ESA firmed 4 to 27p and Staffordshire Potteries revived with a rise of 7 to 31p. Still reflecting an investment recommendation, Grovebell hardened 1½ more for a two-day rise of 5½ to 16p, while U.S. bid hopes prompted a further improvement of 16 to 450p in recently-weak Sothebys. Bid speculation was also behind a rise of 9 to 135p in Chubb. Dealings in Associated Sprayers were resumed at 2.45 pm and the close was 4 higher at 35p, matching the cash bid from Ripner. A strong market of late on a 1983 investment recommendation, Benlox dropped to 30p before closing a net 3 down at 33p following the shock disclosure that the chairman faces Inland Revenue fraud charges. Peter Black lost 10 to 2[illegible]p on the disappointing interim results. The leaders ended the week on a firm note, Glaxo rising ⅜ to £14½ and Beecham 6 to 343p.

Further optimistic reports about the package holiday business sparked revived support for Horizon Travel which jumped 16 to 198p. Elsewhere in the Leisure sector, Pleasurama rose 10 to 455p despite a broker's cautious review.

A nervous market in front of the results, Associated Newspapers revealed preliminary profits in excess of most market estimates and advanced 30 to 175p. Daily Mail A rose a similar amount to 418p. Elsewhere, further support became apparent for McCorquodale, which firmed 7 to a 1982/83 peak of 250p. John Waddington, on the other hand, remained depressed by the interim loss and omitted dividend and gave up 4 more to 80p.

Leading Properties attracted a small two-way business and closed virtually unchanged. Elsewhere, Property Partnerships met occasional support and firmed 4 to 262p, as did Property Holding and Investment, which improved the same amount to 136p. Five Oaks Investment attracted new-time buying on talk that the company would appear as an investment recommendation in the weekend Press and put on 4½ to 19½p, but recent high-flyer Stewart Nairn shed a couple of pence to 78p.

BP improve

Oil shares finished a relatively lively week on a quiet but steady note. British Petroleum made fresh progress with a further gain of 6 to 318p in the leaders, but Shell traded quietly and closed without alteration at 448p. Among the more speculative issues, Jackson Exploration met support and moved up 14 to 247p.

Firm of late on currency influences, Inchcape reacted to scattered profit-taking and eased 5 to 303p, still up 21 on the week. Elsewhere in Overseas Traders, Ocean Wilsons shed 3 to 34p following the reduced first-half profits.

Trusts recorded several outstanding gains, although overall movements were usually small and irregular. Gresham House advanced 15 to 235p and British Industrial and General Deferred closed 14 up at 162p, while Fleming American improved 8 to 344p. Financials were featured by further demand for Money Brokers, R.P. Martin rising 15 to 380p, Mercantile House 10 to 665p and Exco International 8 to 377p. Elsewhere, Aitken Hume also found support and rose 10 to 368p. Park Place were noteworthy for a rise of 9 to 167p.

Interest in Textiles centred on the more speculative issues. UU were outstanding at 42p, up 6, while Tomkinsons, still bolstered by favourable comment, rose 7 more to 137p.

Golds lose ground

Mining markets closed a week of heavy turnover and substantial price movements on a weak note.

South African Golds came under selling pressure in initial trading following the easier bullion price. Thereafter, prices held steady until the late-afternoon when bear closing and "new-time" buying took prices off the day's lows.

The Gold Mines index, which on Tuesday surged to a record 654, dropped 15.5 to 634.5 to reduce the gain on the week to 45.7. Bullion was finally $4.5 easier at $483 an ounce; on Thursday the metal price closed at $487.5, its highest closing level since May 1981.

Recent favourite Randfontein bore the brunt of selling in the top-quality issues and dropped £4 to £84½, while Vaal Reefs slipped £1½ to £73¼ and Buffels a like amount to £34¼; Vaal Reef's final dividend is due on Tuesday along with those of Southvaal and Western Deep.

The sector managed to provide several firm features in St. Helena, which advanced ¾ more to a record £30¼ and Western Areas, finally 4 harder at 432p, after 424p.

South African Financials sustained widespread falls on the sizeable profit-taking in Golds. De Beers dropped 16 to 432p—barely changed on the week—despite the modestly encouraging diamond sales figure announced on Monday.

The day's feature was provided by Gold Fields of South Africa, which jumped £3⅝ to a peak £68⅜, following sizeable buying from Johannesburg.

Outstanding performances in Australians were few and far between, although a number of the speculatives continued to move ahead; Mount Carrington rose 4 more to 49p ex the recent rights issue, and Whim Creek gained 2 to a 1982-83 high of 82p, the latter following news of a recent 3m-share placement at around 66p and the purchase of outright ownership in three gold ventures in Western Australia.

Traded Options again got off to a slow start, but business improved in the afternoon and a respectable total of 2,648 contracts were struck to bring the week's daily average to 2,966 — the highest for over three months. Calls amounted to 2,141 with BP and Commercial Union accounting for 302 and 259 trades respectively. Talk of a broker's revision of profits boosted demand for ICI positions; 362 calls were struck with particular interest shown in the January 360's which recorded 202 contracts and rose 8 to 12p.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Jan 14 1983: Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur Jan 13 Index No.	Wed Jan 12 Index No.	Tues Jan 11 Index No.	Mon Jan 10 Index No.	Year ago (approx.) Index No.	Highs and Lows Index 1982/83 High	1982/83 Low	Since Compilation High	Since Compilation Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Fri Jan 14	Day's change %	Thur Jan 13	xd adj. today	xd adj. 1983 to date
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AVERAGE GROSS REDEMPTION YIELDS	Fri Jan 14	Thur Jan 13	Year ago (approx.)	1982/83 Highs	1982/83 Lows
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

NEW HIGHS AND LOWS FOR 1982/83

NEW HIGHS (96)

BRITISH FUNDS (1)
Exchqr. 3pc 1983

AMERICANS (2)
Esmark
I.U. Int.
Mfrs. Hanover

BANKS (2) [illegible]

[illegible]

INDUSTRIALS (19)
AGA AB
Assocd. Sprayers
Borg-Warner
Brown Boveri Kent
Celestion
Chubb
Eastern Produce
Ecobric
Do. Defd.
Electrolux B
[illegible]

INSURANCE (1)
Sun Alliance

LEISURE (1)
Leisuretime Int.

MOTORS (2)
Coleman Milne
Volvo

PAPER (1)
McCorquodale

PROPERTY (1)
Prop. Partnerships

SOUTH AFRICANS (2)
Anglo Am. Inv.
Tiger Oats

TEXTILES (6)
Beales (J.)
Brit. Mohair
Gaskell Broadloom
Richards
Tomkinsons
U.U. Textiles

[illegible]

NEW LOWS (9)

ELECTRICALS (1)
Hadland

ENGINEERING (1)
Acrow

HOTELS (1)
Stakis

INDUSTRIALS (1)
Francis Inds.

LEISURE (1)
Webb (Joseph)

MOTORS (1)
Supra

PROPERTY (1)
Lond & Prov. Shop

SHOES (1)
Garnar Booth

OILS (1)
Ocean Wilsons

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Mettoy	29	22	+4	Combined Tech	20	62½	+3½
Arlen Elec.	27	161	+16	Fidelity Radio	20	101	+6
Grovebell	26	14½	+4	Int Sig & Cont.	20	278	+8
De Beers Dfd.	22	448	−5	Sothebys	20	440	+17
MFI	21	133	+1	Shell Transport	18	448	+6
Baltic Leasing	20	192	−10	Racal Elec.	17	539	−1
Carless Capel	20	142	+4	Wilkes (J.)	17	255	+7

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Arlen Elec.	162	+1	Quest Auto.	55	+8
Associated News	175	+30	Randfontein	£84½	−4
Grand Met.	335	+5	Thorn EMI	437	+22
Ibstock Johnson	101	−5	Trusthouse Forte	158	+8
ICI	366	+14	Western Areas	432	+4
NatWest Bank	502	+25	Wilkes (J)	347	+92

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Thurs. close	Change on week	Stock	No. of changes	Thurs. close	Change on week
RTZ	87	514	+32	Wolseley-Hs Nw	64	585	+47
Cons. Gld Flds	77	633	+33	Leslie	63	301	+25
De Beers Dfd.	74	448	+28	Lon. & Liverp'l	62	341	−11
BAT Inds.	71	680	+13	Mettoy	61	22	+8
Arlen Elec.	70	161xr	+42	Baltic Leasing	60	192	+39
Sotheby	70	440	[illegible]	Wilkes (J.)	60	255	[illegible]
Racal Elec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FINANCIAL TIMES STOCK INDICES

	Jan. 14	Jan. 13	Jan. 12	Jan. 11	Jan. 10	Jan. 7	A Year ago
Government Secs.	78.56	77.70	77.29	77.98	79.85	80.11	63.34
Fixed Interest	80.57	79.98	80.50	80.83	81.85	81.83	62.68
Industrial Ord.	614.2	604.6	598.4	604.5	613.7	621.0	537.2
Gold Mines	634.5	650.0	634.0	629.0	619.5	588.8	355.8
Ord. Div. Yield	4.85	4.95	5.00	4.96	4.89	4.81	5.70
Earnings, Yld.% (full)	10.46	10.66	10.77	10.68	10.52	10.37	10.01
P/E Ratio (net) (*)	11.47	11.24	11.14	11.24	11.40	11.58	12.76
Total bargains	25,225	20,710	25,475	25,217	18,100	24,048	13,997
Equity turnover £m.	—	233.2	246.87	284.54	217.94	252.13	95.6
Equity bargains	—	20,376	19,983	25,176	241.64	21,690	10,784
Shares traded (ml)	—	147.0	153.5	144.8	138.2	167.0	87.2

10 am 607.7. 11 am 609.6. Noon 610.6. 1 pm 609.9. 2 pm 609.1. 3 pm 610.8.

Basis 100 Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.
Nil=10.66.

HIGHS AND LOWS | S.E. ACTIVITY

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.84 (8/11)	61.89 (5/1/82)	127.4 (9/1/35)	49.18 (6/1/75)
Fixed Int.	87.02 (12/11)	63.79 (7/1/82)	150.4 (28/11/47)	50.53 (6/1/75)
Ind. Ord.	637.4 (12/11)	518.1 (5/1/82)	637.4 (12/11/82)	49.4 (26/6/40)
Gold Mines	654.0 (11/1/83)	181.2 (22/6)	654.0 (11/1/83)	43.5 (26/10/71)

	Jan. 13	Jan. 12
Daily Gilt Edged Bargains	240.3	256.8
Equities Bargains	132.9	129.3
Equities Value	471.3	495.8
5-day Avrge Gilt-Edged Bargains	242.5	233.4
Equities Bargains	141.6	149.8
Equities Value	478.4	511.2

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982 based on Thursday, January 13, 1983

Gold Mines Index	+16.87	Financial Group	+1.96
Overseas Traders	+12.34	Mechanical Engineering	+1.40
Mining Finance	+11.25	All-Share Index	+1.22
Insurance Brokers	+8.34	Other Industrial Materials	+0.90
Metals and Metal Forming	+7.75	500 Share Index	+0.24
Investment Trusts	+7.09	Building Materials	+0.12
Insurance (Composite)	+5.97	Other Groups	−0.94
Oils	+6.96	Property	−0.26
Office Equipment	+5.68	Contracting, Construction	−0.59
Packaging and Paper	+4.29	Capital Goods	−0.74
Health and H'sehold Products	+4.03	Industrial Group	−0.74
Newspapers, Publishing	+4.02	Consumer Group	−0.80
Tobaccos	+3.59	Chemicals	−1.09
Food Manufacturing	+3.27	Food Retailing	−1.42
Textiles	+3.14	Breweries and Distillers	−1.89
Banks	+2.98	Electricals	−2.61
Shipping and Transport	+2.79	Leisure	−2.78
Merchant Banks	+2.40	Engineering Contractors	−3.40
Other Consumer	+2.08	Discount Houses	−5.18
Motors	+2.00	Insurance (Life)	−5.87
		Stores	−7.50

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan 10	Jan 21	April 21	May 3
Jan 24	Feb 4	May 5	May 16
Feb 7	Feb 18	May 19	May 31

For rate indications see end of Share Information Service

Money was given for the call in Trusthouse Forte, BOC, IMI, Dunlop, Carless Capel, International Signal and Control, Suter Deferred, Cattle's, RHM, James Wilkes, Mettoy, Grovebell, Cons. Gold Fields, Kwik-Fit, John Brown, ICI, KCA International, Combined Technologies, MFI, North Kalgurli, Henlys, Erskine House, Pressac, Turner and Newall and Capper-Neill. Puts were done in Nimslo and Mettoy, while doubles were struck in Vickers, Lincroft Kilgour, Cons. Gold Fields, Marks and Spencer and Lasmo.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	89	7	2	190	258	6
Corporations, Dom. and Foreign Bonds	37	4	38	58	125	22
Industrials	351	175	796	1,203	1,627	[illegible]
Financial and Props.	147	78	290	695	684	1,297
Oils	22	18	70	133	110	367
Plantations	7	3	13	41	7	67
Mines	19	65	64	314	198	298
Others	29	73	76	304	274	304
Totals	701	423	1,349	2,928	3,223	6,206

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

هكذا من الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288
Black Horse Man. Fd. 215.69

British National Life Assurance Co. Ltd.
Haywards Rd, Haywards Heath. 0444 414111

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Guardian Royal Exchange
[illegible] 01-283 7101

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393
'Asset Builder' 59.3 62.4

London Indemnity & Gnl. Ins. Co. Ltd.
18-20, The Forbury, Reading 583511

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179

London Life Managed Funds Ltd.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Property Growth Assur. Co. Ltd.

Standard Life Assurance Company
3 George St., Edinburgh EH2 2XZ. 031-225 2552

Sun Alliance Insurance Group
Sun Alliance House, Horsham. 0403 64141

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

Bridge Management Ltd.
GPO Box 590, Hong Kong

Britannia Intl. Investment Mngmt. Ltd.
Box 271, Queensway House, Queen Street, St. Helier, Jersey C.I. 0534-73114

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey. 0481-26521

Henderson Admin. & Man. (Guernsey)
7 New St., St. Peter Port, Guernsey 0481 26541/2

Henderson Baring Group
801, Gloucester Tower, 11, Pedder St., Hong Kong.

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFebvre St., St. Peter Port, Guernsey, C.I.
Guernsey Tst. 241.2 258.0 +3.5 2.98

Quilter/Heinold Commodities
31-45, Gresham Street, EC2V 7LH. 01-600 4177

Richmond Life Ass. Ltd.
4 Hill Street, Douglas, I.O.M. 0624 23914

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481-26741

Royal Bank of Canada Funds

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99¼	91	Exch. 3pc 1983	99¾	+⅛	3.02	10.61
101⅛	95⅛	Treasury 12pc 1983‡‡	100⅛	.....	11.99	11.29
100⅝	92⅞	Treasury 9½pc '83	99 ⅜xd	+⅛	9.51	10.78
104⅝	96⅞	Exch. 13½pc '83	101⅛	+¼	13.24	10.96
101⅛	91⅞	Exch. 10pc 1983	99¼	+⅛	10.08	10.85
98¼	87½	Funding 5½pc '82-84‡‡	97	+½	5.67	8.69
103¼	91⅞	Exch. 11¼pc 1984	100¾xd	+⅛	11.17	10.58
107¼	96¼	Exchequer 14pc 1984	103⅛	+⅛	13.52	11.06
94½	81⅛	Exch. 3pc 1984	93¾	+¼	3.20	7.75
105¼	91½	Treasury 12pc 1984	101⅛	+⅛	11.82	10.95
112	96¾	Treasury 15pc 1985	106⅞	+1⅛	14.02	11.15
112¼	89½	Exch. 12pc Cnv. '85	103¾	+1½	11.57	10.03
91⅛	73½	Treasury 3pc 1985	98	+¾	3.53	7.75
105½	87½	Treasury 11½pc 1985	101⅛	+1¼	11.37	10.98
61¼	55¼	Treas 8¼pcCr85 (£60pd)	56⅞	+1¼	9.31	10.02
107⅛	88⅛	Exch. 12¼pc 1985	102	+1¼	12.01	11.38
106⅝	86⅛	Exch. 11¾pc '86	100⅝	+1⅛	11.68	11.47
89½	69	Treasury 3pc 1986	86⅞	+⅝	3.45	7.52
107⅛	86¼	Treasury 12pc '86	101½	+1⅛	11.82	11.45
100	80⅝	Treasury 8¼pc '84-86‡‡	96⅝	+1	8.82	9.77
116¼	95⅜	Treas. 12¾pc '86 Cnv.	106⅛	+1⅛	11.54	10.12
114	91⅞	Exch. 14pc 1986	107	+1⅛	13.08	11.63
112	90	Exch. 13¾pc 1987	105xd	+1⅛	12.62	11.65
84	83⅞	Exchequer 2½pc 1987	84	+¼	2.96	7.06
103½	95⅞	Exch. 10½pc 1987	97¼	+1⅛	10.80	11.42
93⅞	73⅛	Funding 6½pc '85-87‡‡	92	+1	7.07	8.79
85¼	64½	Treasury 3pc 1987	84¼	+¼	3.56	7.17
109	85⅞	Treas. 12pc 1987	101¼	+1⅛	11.85	11.62

Five to Fifteen Years

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
98	72½	Treasury 7¾pc '85-88‡‡	91xd	+¼	8.50	10.02
102¼	95½	Exch 10½pc '88	96¾	+1	11.09	11.85
81	60⅛	Transport 3pc '78-88	77½	+1¼	3.88	8.24
99	91	Treas. 9½pc '88	92¾	+1½	10.38	11.53
107⅞	79⅞	Treasury 11½pc 1989	101¼	+¾	11.85	12.16
85⅛	62½	Treasury 5pc '86-89	80¼	+¾	6.29	9.13
117¼	85⅛	Treasury 13pc 1990‡‡	104¼	+1	12.53	12.38
112	65⅝	Exch. 12½pc 1990	105¼	+1	12.40	12.31
98⅛	70⅛	Treasury 8¼pc '87-90‡‡	88½	+1	9.40	10.68
110¼	77⅞	Treasury 11¾pc 1991	98⅞	+1⅛	11.91	12.02
84⅞	59¼	Funding 5¾pc '87-91‡‡	80¼	+¾	7.27	9.46
104⅛	76⅛	Exch. 11pc 1991	98	+1¼	11.52	11.83
116⅞	83⅞	Treasury 12¾pc '92‡‡	104¼xd	+1¼	12.21	11.93
102¼	70	Treasury 10pc 1992	95¼	+1	10.97	11.53
112¼	80⅞	Exch. 12¼pc '92	106	+1¼	12.11	12.03
118¾	85⅞	Exchequer 13½pc '92	111¼	+1¼	12.57	9.73

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
97⅞	85¼	Aust. 6pc 1981-83	96½xd	+½	6.22	10.83
83½	57	N.Z. 7½pc 1983-92	76½xd	+½	9.48	11.30
93½	74¼	Do. 7½pc '83-86	88¼xd	+½	8.50	11.90
167	136	S. Rhod. 2½pc Non-Ass.	163	.....	—	—
80	58	Do. 3½pc 60-85 Asstd.	80	.....	12.04	11.19
55	32	Do. 4½pc 87-92 Asstd.	54	.....	8.59	13.80
402	318	Zimbabwe Ann (£100ns)	380	.....	—	17.20

LOANS

Public Board and Ind.

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
77½	57¼	Agric. Mt. 5pc '59-89	75¾xd	+¼	6.64	10.30
38	24¼	Met. Wtr. 3pc 'B'	33¾	+¼	9.16	11.85

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
282	182	ANZ SA1	230xd	−10	Q28c	●	7.3	●
315	205	Alexanders D. £1	275	−3	18.5	—	9.6	—
£75½	£48	Algemene Fl.100	£75½	.....	Q25%	1.8	7.7	7.2
102	75	Allied Irish	100	−2	5.2%	4.0	9.6	3.3
16⅞	9¼	Ansbacher (H.) 5p	11½	.....	0.35	—	4.3	—
275	200	Bk. Ireland £1	268	−5	29.4%	—	9.8	—
3½	2	Bank Leumi	2½	.....	—	—	—	—

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
250	75	Falcon Rh.50c	240	–10	Q25c	10.3	7.3
33	18	Wankie Col. Z$1	18	......	†Q3c	1.2	11.3
24	12	Zam.Cpr.SBD0.24	23	......	—	—	—

Australians

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
24	10	♥ACM 20c	21	–2	—	—	—
28	6	♥Argosy Gold NL 25c	13	......	♦—	—	—
151	54	♥Bond Corp	70	–1	gQ10c	2.3	9.1
138	58	♥Bougainville 1 Kina	137	+2	†Q6.71c	1.2	‡
250	147	♥CRA 50c	245	......	†Q5c	—	‡
34	10	♥Carr Boyd 20c	33	–1	—	—	—
56	21½	♥Central Pacific	34	......	—	—	—
380	152	♥Crusader Oil	315	......	—	—	—
26	7	♥Cultus Pac NL	14½	–½	—	—	—
27	7	♥Eagle Grp 10c	10½	......	—	—	—
23	8½	♥Endeavour 20c	14	+1	—	—	—
665	120	♥GM Kalgoorlie 25c	665	......	hQ10c	♦	0.9
244	134	Hampton Areas 10p	232	–2	†3.0	2.8	1.8
32	10	♥Haoma NW	20	......	—	—	—
22	9	♥Intnl Mining	15	......	—	—	—
36	2	♥Kalbara Min 20c	27	–4	—	—	—
12½	5	♥Keywest Expl	12½	......	—	—	—
126	30	♥Kitchener NL 25c	120	–4	—	—	—
190	92	♥Meekatharra 25c	155	+3	—	—	—
44	15	♥Metals Ex 50c	30	–1	—	—	—
50	15	♥Metramar Min 20c	36	–1	—	—	—
50	15	♥Mid East Mins A$1	19	......	—	—	—
266	143	♥MIM Hldgs 50c	259	+1	Q5c	—	1.2
57	5	♥Minorp 20c	11	–1	—	—	—
8	2½	♥Minefields Expl 25c	7	+2	—	—	—
24	14	♥Newmetal 20c	24	......	—	—	—
30	8½	♥Nickelore NL	28	......	♦—	—	—
170	92	♥North B Hill 50c	167	–1	Q6c	1.3	2.2
*84	10	Nth. Kalgurli	51	–1	—	—	—
123	67	♥Oakbridge 50c	86	......	Q7c	1.7	5.0
98	30	♥Otter NL	45	+3	—	—	—
98	34	♥Pacific Copper	72	+2	—	—	—
150	68	♥Pancont'l 25c	96	......	—	—	—
408	211	♥Peko-Wallsend 50c	408	+4	Q15c	—	0.2
31½	6	♥Pelsart Res NL	8	......	—	—	—
273	112	♥Renison 50c	195	–1	Q5c	—	1.6
205	105	♥Do Defd	160	......	—	—	—
62	30	♥Seltrust A	60	–2	♦—	—	—
27	8½	♥Southern Pacific	13	......	—	—	—
46	16	♥Swan Res 20c	29	......	—	—	—
11	2½	♥West Coast 25c	8	......	—	—	—
50	6	♥Western Cont. 50c	27	–1	—	—	—
252	150	Westn. Mining 50c	249	–1	Q2.5c	♦	0.6
82	11	♥Whim Creek 20c	82	+2	—	—	—
30	6	♥York Resources	15	......	—	—	—

Tins

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
255	135	Ayer Hitam $M1	175	......	Q95c	1.0	14.4
140	55	Geevor	85	......	—	—	—
12	9½	Gold & Base 12½p	10½	......	—	—	—
630	250	Gopeng Cons.	298	......	Z11.0	1.2	5.3
670	330	Hongkong	537½	......	21.0	♦	5.6
24	13	Jantar 12½p	17	......	1.5	2.8	12.6
130	42	Kamunting $M0.50	103	......	†tQ27½c	0.8	7.1
475	350	Killinghall $M1	475	......	vhQ60c	♦	3.4
98	43	Malaysia Mng. 10c	63	+1	vQ17.1c	1.6	7.2
42	20	♥Pahang	32	......	B†0.63	0.8	‡
450	280	Pengkalen 10p	340	......	1.0	—	0.4
330	190	Petaling $M1	245	......	vQ60c	♦	6.5
200	130	Sungei Besi $M1	190xd	......	†vQ85c	0.6	‡
55	25	♥Supreme Corp M$1	40	......	vhQ3½c	♦	2.6
110	93	Tanjong 15p	93	......	g3.5	♦	5.4
85	43	♥Tongkah H. Tin $M1	64	......	vQ5c	1.3	2.0
255	125	Tronoh $M1	195	......	†vQ50c	2.5	6.8

Miscellaneous

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
87	20	♥Anglo-Dominion	70	–17	—	—	—
16½	11½	Burma Mines 10p	12	......	0.55	1.8	6.5
130	27	♥Colby Res Corp	130	+5	—	—	—
425	170	Cons. Murch. 10c	425	......	‡Q60c	1.9	‡
8	1½	‡‡Exploura Gold	4	......	—	—	—
150	55	♥Highwood Res	150	+10	—	—	—
£40⅝	£25	Homestake Mining $1	£39⅝	–⅛	Q40c	—	0.6
470	160	Northgate C$1	435	–25	—	—	—
530	344	R.T.Z.	510	–4	16.0	1.6	4.5
£120	£84	Do.9¼%CnLn.95-2000	£116	......	Q9¼%	23.9	(8.2)
28	11	♥Sabina Inds C$1	28	......	—	—	—
44	27	♥Southwest C. 10p	37	......	♦—	—	—
500	270	♥Tara Explo $1	440	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ✠ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ## Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or –
Albany Inv. 20p	48	......
Bertrams	17#	......
Bdg'wtr. Est. 50p	465	......
Craig & Rose £1	£12½	......
Finlay Pkg. 5p	31	......
Graig Ship. £1	£20	......
Higsons Brew	105	......
Holt (Jos) 25p	880	......
I.O.M. Stm. £1	95	......
Pearce (C. H.)	£11¼	......
Peel Hldgs.	160	......
Sindall (Wm.)	200	......

IRISH

Stock	Price	+ or –
Exch. 15pc 1983	£100⅝	......
Nat. 9¾% 84/89	£88¾xd	......
Fin. 13% 97/02	£92½	......
Alliance Gas	118	......
Arnott	190	......
Carroll (P.J.)	80	......
Concrete Prods.	53xd	......
Heiton (Hldgs.)	15	......
Ins. Corpn. Ireland	383	......
Irish Ropes	26xd	......
Jacob	80	......
T.M.G.	95	......
Unidare	42	–1

OPTIONS

3-month Call Rates

Industrials

Stock	Rate
Allied-Lyons	15
BOC Grp	17
B.S.R.	6
Babcock	10
Barclays Bank	35
Beecham	35
Blue Circle	44
Boots	22
Bowaters	19
Brit. Aerospace	20
B.A.T.	50
Brown (J.)	4
Burton Ord.	24
Cadburys	11
Courtaulds	8
Debenhams	8½
Distillers	20
Dunlop	5½
Eagle Star	30
F.N.F.C.	4
Gen. Accident	38
Gen. Electric	24
Glaxo	90
Grand Met.	25
G.U.S. 'A'	50
Guardian	35
G.K.N.	15
Hawker Sidd	30
House of Fraser	15
I.C.I.	24
"Imps"	10
I.C.L.	6
Ladbroke	16
Legal & Gen.	28
Lex Service	16
Lloyds Bank	35
"Lofs"	4
London Brick	11
Lucas Inds.	12
"Mams"	12
Mrks. & Spncr	16
Midland Bank	30
N.E.I.	9
Nat. West. Bank	38
P & O Dfd.	14
Plessey	50
Racal Elect.	45
R.H.M.	6
Rank Org. Ord.	15
Reed Intnl.	26
Sears	9
T.I.	13
Tesco	8
Thorn EMI	38
Trust Houses	13
Turner & Newall	4
Unilever	65
Utd. Drapery	7
Vickers	12
Woolworth Hld.	15

Property

Stock	Rate
Brit. Land	7½
Cap. Counties	12
Land Secs.	26
MEPC	17
Peachey	14
Samuel Props.	10
Town & City	3

Oils

Stock	Rate
Brit. Petroleum	26
Burmah Oil	12
Charterhall	5
KCA	8
Premier	4
Shell	35
Tricentrol	22
Ultramar	42

Mines

Stock	Rate
Charter Cons.	20
Cons. Gold	40
Lonrho	8
Rio T. Zinc	42

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600

FINANCIAL TIMES
Saturday January 15 1983

MAN IN THE NEWS

Buckshot off an ironclad

BY JOHN LLOYD

MR NORMAN TEBBIT, caustic, clever and tough, is a fortunate man. He is talked of as a contender for his party's leadership, perhaps in the late 1980s. His self image as a reforming roundhead levelling the smirking nobles of the trade union movement for their cavalier treatment of the country and their members has caught the required blend of populism and revenge.

He has, through his 1982 Employment Act, encompassed unions within the law for (as he would put it) the first time for decades. He has seen every threat and imprecation bounce off him like buckshot off an ironclad. He is, in the Prime Minister's estimation, "one of

Norman Tebbit

the best of us"—an expression of admiration and kinship from one anti-Grandee to another.

He was, it is now clear, the perfect choice for a radical Tory Employment Secretary. He has about him none of the inverse deference which inhibited previous holders of the office whose birth, education or wealth—more likely all three—made them vulnerable to liberal objections that they were bashing the lower orders harder than decency permitted. He—limousine, advisors and great office notwithstanding — sees himself as the little man come to town to stand up for his kind—the kind who experience unions, or accept an interpretation of them, as alien, threatening, external forces, or as internally oligarchic, mysterious, uncaring and inefficient.

A cherished dream is that the first case to be brought under his Employment Act should be a David and Goliath struggle between—as he has glowingly described—a small newsagent and a mighty print union. On one side of the court are ranged the left-wing silks retained by the union: on the other the newsagent, successfully *conducting his own defence*. The Hollywood clarity of the vision is instantly communicable and widely appealing—a modern cameo of Justice prevailing against Corruption.

This moral certainty gives him his strength, especially when it is matched against the opposing vision—of egalitarianism, solidarity and corporate loyalty—which failed before the electorate and has been under sustained attack from inside and out ever since.

He appears to revel in the notoriety and abuse. He wears "Chingford skinhead" and "semi house-trained polecat" as campaign ribbons, and is said to have sincerely missed his most intemperate critic, Dennis Skinner, when the Clay Cross MP was absent from the chamber before Christmas because of illness. He courts it, too. He revealed in a recent magazine interview that a favourite animal was the bat, reportedly causing Mr Denis Healey, when meeting him in a dark Commons corridor, to shrink back and call for garlic.

He is, however, too good a politician to rely on his gut and his canines. He has impressed even the wets in his party with his ability and his commitment to listening to views other than his own—and taking account of them, too. No-one doubts his cleverness and industry: and even those who deprecate his close and requited loyalty to the Prime Minister recognise it as springing from conviction rather than opportunism.

To Len Murray, the TUC general secretary—a man whose own ingrained moralism renders Tebbit deeply unlikeable—the Employment Secretary's legislative innovations and proposals will be swept away by a tide which they are only temporarily stemming. Tebbit thinks roughly the same of Murray: the communications between the two men are barely civil.

NAKASONE FAVOURS LONGER ECONOMIC PERSPECTIVE

Japan scraps five-year plan

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN'S latest five-year economic plan has been scraped before publication on the orders of Prime Minister Yasuhiro Nakasone in favour of a vaguer and longer term "economic perspective," to be drawn up by the summer.

One reason why Mr Nakasone ordered the scrapping of the plan apears to have been persistent disagreement between the Economic Planning Agency and the Ministry of Finance on how fast the economy should grow.

The agency believes that an annual growth rate of 4 per cent is possible and desirable for Japan but was unable to draft a plan which would reconcile a 4 per cent growth rate with the rapid elimination of Japan's big budget deficit.

The Finance Ministry gives top priority to fiscal stabilisation and argues that Japan can easily live with a 3 per cent growth rate for the next few years.

The result of the dispute between the agency and the ministry was the drafting of a plan which put annual growth for the next five years at 3-4 per cent—in contrast to all previous Japanese economic plans which have included very precise growth projections. Publication of the draft would merely have opened the way for continued squabbling between the two key economic ministries which may well be why Mr Nakasone decided to prevent it.

The new five-year plan would have replaced a *seven-year* plan, which put Japan's growth for 1979 to 1985 at 5.1 per cent. It is normal practice for the agency to come up with a new plan in the middle of the previous plan's lifetime, but it is unprecedented for the agency to spend six months working on a plan and then have it scrapped on orders from the Prime Minister.

The agency and the ministry are not the only two bodies in the Japanese government at loggerheads with each other over future growth rates.

The Ministry of International Trade and Industry believes in a 5 per cent *growth rate*. So, apparently, does the Ministry of Construction.

Japan's leading private business federation, the Keidanren (federation of economic organisations) is in favour of low growth, in part because it fears that higher growth could be financed only by higher taxes.

Quiet response expected to new oil licence auction

BY RAY DAFTER, ENERGY EDITOR

THE OIL INDUSTRY is expected to make a muted response to the latest rounds of North Sea exploration licences, bids for which close on Monday.

The Energy Department, which began receiving eighth-round licence applications yesterday, said that a "reasonable number" of bids had been submitted and that it was "optimistic" about the final response.

Within the industry there were suggestions that the Government would not receive more than £10m to £20m for the blocks being auctioned. This would be less than a tenth of the cash raised from the "sale" of premium blocks in the previous round.

In total, 184 blocks are open to bids, 15 of which are being auctioned. Companies must submit auction bids between 10 am and noon on Monday.

The other applications, to be awarded by the Government on a discretionary basis, must be made between 9.30 am and noon. In past years the bulk of applications have been in a last-minute rush.

The Government hopes for enough applications to licence at least 85 new blocks. Companies expect bids to be concentrated in areas near proven oil- and gasfields.

The 38 blocks in the gas-producing sector in the south are likely to be among the most keenly sought, given British Gas Corporation's readiness to pay much higher prices for any gas produced.

Most, if not all, auctioned blocks are expected to attract bids. Sums offered may not be large, probably between several hundred thousand pounds and £3m a block, though a particularly promising concession might attract a higher bid.

In 1971, when North Sea cash bids were invited for the first time, some £37m was raised from auction of 15 blocks. One concession went for £21m.

Companies point out that they have already had a chance to acquire the 15 auction blocks now on offer. These were included in the seventh-round list of premium blocks, which under a novel licensing system could be obtained for £5m a block.

The Government raised £210m through the award of these self-chosen premium blocks.

In the industry the eighth round is seen as an acid test of the Government's taxation policies.

In recent months Sir Geoffrey Howe, Chancellor of the Exchequer, has been bombarded with requests from oil companies and the offshore supply industry urging him to lower taxation, particularly on small, economically marginal fields.

It is expected in the industry that he will announce marginal tax changes in the Spring Budget.

Sterling's decline against the dollar is boosting North Sea oil and gas revnues by over £1bn a year, say the stockbrokers Scott, Goff, Hancock and Company, which says the Government is set for at least £8bn in revenue in the 1982-83 financial year, against £7bn forecast by the Treasury in the autumn.

Pound fall adds £1bn to oil tax revenue, Page 6

Thorn EMI reports fall in profits

By Jason Crisp

THORN EMI reported a fall in pre-tax profits to £27.6m in the six months ending September 1982 from £45.5m in the same period the previous year.

The poor results had been widely expected following gloomy predictions from Sir Richard Cave, chairman last autumn. Thorn EMI's shares rose 22p to 437p on the announcement yesterday.

Trading profits for the diversified group, which ranges from entertainment to defence electronics, six months were slightly higher at £159.7m, compared with £151.7m in the same period the previous year, on a turnover of nearly £1.2bn.

The fall in pre-tax profits was largely because of increased depreciation and higher interest charges for the company's substantial investment in video recorders for rental.

Strong UK demand for video recorders boosted both the company's consumer electronics and its rental divisions which include Radio Rentals, DER, Multi-broadcast and Ferguson. Depreciation on Thorn EMI's rental assets rose £18.3m to £82.6m and interest payments increased from £17.3m to £21.8m.

Thorn EMI forecasts a significant profit improvement in the third quarter of the financial year following the abolition of hire purchase controls, lower interest rates and the traditional strong seasonal demand for music. But it warned that the increase in demand for its consumer goods was not echoed by its engineering subsidiaries.

"The outcome for the full year is clearly dependent on the extent to which the recovery in demand for durable consumer goods continues through the fourth quarter."

Details, Page 16

Carrian needs £418m rescue to stave off liquidation threat

BY ROBERT COTTRELL IN HONG KONG

CARRIAN GROUP, the once dramatically successful Hong Kong property company, *faces* the threat of liquidation, in whole or in part, unless its bankers agree to a HK$4.3bn (£418m) rescue operation.

The extent of the problems facing Carrian are documented in a long confidential report for bankers prepared by Wardleys, the merchant banking arm of the Hongkong and Shanghai Banking Corporation, a significant lender to the troubled group.

According to the report the unquoted parent of the group, Carrian Holdings, had a net worth of minus HK$1.15bn as at November 30, 1982. This figure is based on a "worst-case" scenario of bankers forcing the immediate break up and sale of the group's assets.

Carrian has been something of a mystery since its sudden appearance in early 1980. Carrian Holdings, owned by a nominee company, was previously thought to be a cash-rich vehicle for unidentified private fortunes. It now appears to have been no more than a shell company holding a majority stake in the group's main quoted vehicle, Carrian Investments.

The three-year-old Carrian Investments, which at its peak as a "glamour" stock in mid-1981 enjoyed a market capitalisation of HK$6bn, is estimated, again on a break-up basis, to have had shareholders' funds of just HK$162.3m at the end of November. Its debts at that date were HK$2.9bn.

In the report Wardley proposes two closely related rescheduling schemes. It says that, with debt rescheduling and phased asset sales, Carrian Investments could recover its financial health to the point where net assets per share would stand at HK$1.50 by end-1984.

On an immediate break-up basis, this company's net assets would currently be worth less than HK$0.15 per share. Its shares were trading at around HK$0.80 prior to their suspension on January 3.

Carrian Investments' bankers are being asked to consider an immediate deferral of principal payments, though interest would still be paid. Under a preliminary 21-month draft rescheduling scheme, Wardley says bankers can hope to get 40 per cent of their principal repaid in quarterly payments through 1984. At the end of 1984, the scheme would be reviewed.

Cash flow projections envisage Carrian Investments disposing of assets worth HK$1bn in 1983 and HK$1.5bn in 1984.

In the second scheme, Carrian Holdings' lenders are asked to agree to a deferral of both principal and interest payments until cash becomes available to meet them. This company has loans totalling HK$1.4bn. Though it has property and travel interests, its financial health depends almost entirely on the market value of its holding in Carrian Investments, whose value has plummeted.

Both rescue schemes are scheduled to run from April 1, 1983 to January 1, 1985. Neither would go ahead unless the other also did. Provision is made in the schemes for lending banks to have a representative director on the relevant Carrian boards.

If bankers agree on the scheme, the Hongkong and Shanghai Bank will offer Carrian Investments an overdraft of up to HK$250m, secured on a commercial development by Carrian in Oakland, California.

Group asset rating cut, Page 21

Continued from Page 1

Markets more hopeful

which closed at 614.2, despite having fallen below 600 on Wednesday.

The new index-linked stock is to be issued by tender with 25 per cent of the price payable on application, 35 per cent on February 14, and the balance on March 14 1983. The stock matures in July 2016 and carries a coupon of 2½ per cent.

The decision to issue an index-linked rather than a conventional stock may reflect its relatively greater attraction at a time when the perception of future inflation rates has become more uncertain.

The recent fall in the pound's value could add up to three percentage points to the inflation rate by next Christmas.

The Bank of England's £1.2bn credit facility for the banking system during the tax-gathering season is intended to permit banks to borrow against their holdings of export credits and shipbuilding paper and to sell government stock to the Bank *for repurchase when the facility* expires. It is to be in operation from January 21 to February 21.

This extra form of support, repeating a manoeuvre tried two years ago, has been made necesasry by an acute shortage of the commercial bills

Continued from Page 1

Mortgage rates held

bank would almost certainly be *followed by the other banks*, although they might, as they have done already, pitch their mortgage rates at different levels.

Building societies' net receipts in December fell to £490m from £763m in the previous month. Although the figure was a December record it was much less than the monthly total required if the societies *are to meet their projected* £18bn lending target for 1983. The banks are expected to lend about £3bn this year compared with £4bn last year.

Last year the societies advanced £15.13bn to home-buyers, involving a record 558,000 loans. At the end of 1982 they were committed to lending another £3.93bn.

Continued from Page 1

Viyella

Spencer to give details of property transactions.

Mr Fieldhouse's five-year contract was agreed in July last year, when negotiations with Vantona were already under way, and approved by ICI, which holds 49.36 per cent of the shares in the group.

Last night an ICI spokesman said: "We refute any idea that the service agreement was rushed through in July. We believe we were discharging a commitment made when Mr Fieldhouse joined us as chairman from Letraset in 1980, and these matters take a long time to reach agreement on."

Sir James Spooner, chairman of Vantona, said last night, that reports of the Letraset payment to Mr Fieldhouse came as a great surprise to him.

"My understanding is that Mr Fieldhouse negotiated an agreement with Carrington to get the same terms as he got at Letraset. I didn't think he'd got a capital sum as well as a replacement contract."

He added that the additional deal offered by Vantona to consider the service agreement broken if Mr Fieldhouse was dissatisfied was something Mr Fieldhouse "felt strongly about."

Weather

UK TODAY

SOME RAIN in most areas.

London, S.E., E., N.E. England, S. Scotland
Cloudy, rain at first. Max 9C (48F).

S. England, Midlands
Mostly dry, bright intervals. Max 10C (50F).

S.W., N.W. England, Wales, S.W. Scotland, N. Ireland
Occasional light rain, especially near coasts. Max 11C (52F).

Rest of Scotland
Bright intervals, showers. Max 6C (43F).

Outlook: Cloudy and mild, rain at times, mostly in the North.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	12	54	London	C	9	48
Algiers	F	14	57	L. Ang.†	F	17	63
Amsdm.	Sn	1	34	Luxmbg.	Sn	−1	30
Athens	S	14	57	Luxor	F	18	64
Bahrain	F	21	70	Madrid	S	9	48
Barclna.	S	10	50	Majorca	F	14	57
Belfast	C	7	45	Malaga	F	13	55
Belgrd.	F	5	41	Malta	S	14	57
Berlin	C	3	37	M'chstr	F	8	46
Biarritz	C	8	46	Melbne.	S	18	64
Bcnghm.	C	9	48	Miami†	F	8	46
Blackpl.	F	8	46	Milan	Fg	2	36
Bordx.	C	8	46	Montrl.†	C	−9	16
Boulgn.	R	8	46	Moscow	F	1	34
Bristol	F	10	50	Munich	F	2	36
Brussels	Sn	1	34	Nairobi	F	26	79
Budpst.	C	5	41	Naples	C	11	52
Cardiff	C	9	48	Nwcstl.	S	7	45
Cas'b'ca	F	16	61	N. York†	F	−4	25
Cape T.	S	31	88	Nice	S	15	59
Chicg.†	F	2	36	Nicosia	F	14	57
Cologne	C	3	37	Oporto	S	10	50
Cpnhgn.	F	4	39	Oslo	F	10	32
Corfu	F	13	55	Paris	Sn	1	34
Denver†	F	−3	27	Perth	S	33	91
Dublin	C	8	46	Prague	F	2	36
Dbrvnk.	C	10	50	Rykjvk.	C	1	34
Ednbgh.	C	7	45	Rhodes	F	13	55
Faro	F	14	57	Rome	R	12	54
Florence	R	9	48	Salzbrg.	S	2	36
Frankft.	C	2	36	S'cisco†	F	6	43
Funchal	R	15	59	Singapr.	C	30	86
Geneva	C	2	36	Stckhm.	S	1	34
Gibrltr.	F	15	59	Strasbg.	C	3	37
Gl'sg'w	R	7	45	Sydney	S	23	73
G'msey	R	9	48	Tangier	F	14	57
Helsinki	C	0	32	Tel Aviv	C	13	55
H. Kong	S	16	61	Tenerife	F	18	64
Innsbrk.	S	3	37	Tokyo	S	9	48
Invrnss.	R	7	45	T'rnto†	C	−2	28
I.o.Man	S	9	48	Tunis	F	14	57
Istanbul	S	7	45	Valencia	F	13	55
Jersey	R	10	50	Venice	C	1	34
Jo'burg	C	23	73	Vienna	F	4	39
L. Pims.	F	18	64	Warsaw	Sn	3	37
Lisbon	S	9	48	Zurich	F	3	37
Locarno	S	11	52				

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder. † Noon GMT temperatures.

THE LEX COLUMN

A pause for breath in the City

A stormy week for the financial markets has ended in uneasy calm. The rise in clearing bank base rates, coupled with a helpful round of rate cutting by commercial banks elsewhere, has for the time being steadied sterling at a level which, over the medium term, probably represents a decent compromise between the requirements of industry and the desire to maintain a vestige of monetary rectitude.

Yesterday, the pound even managed to stage a minor rally, pulling back its loss over the week to 0.9 points, as measured by the trade-weighted index. This is certainly a bad performance but, in retrospect, it hardly looks like the stuff of a full-blown currency crisis.

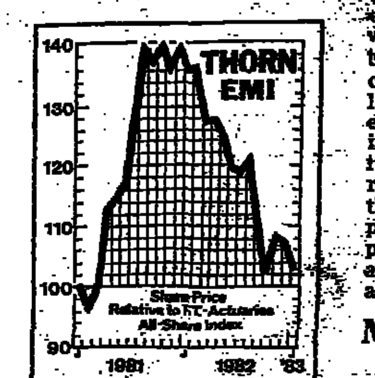
The Bank of England, which moved to reflect the higher base rates with pointed reluctance, yesterday demonstrated remarkable even-handedness by announcing a £1bn gilt-edged repurchase arrangement, to tide the money market over a tight period of corporation tax payments, and then following it up with a decision to relieve the market of £750m through the issue of a new index-linked stock.

In fairness, the Bank had already run the new stock through its calculator before deciding on a figure for the repurchase agreement, while, with no long tap in the market and the short index-linked tap almost exhausted, a new issue was only to be expected. Overall, the authorities look remarkably relaxed about their funding. Banking December produced net sales of gilt-edged to the non-bank private sector of only £27m and the new stock—the second longest in the whole of the market with a maturity of 2016—carries payment terms which extend to mid-March.

A return to levels of funding more consistent with the Public Sector Borrowing Requirement may enable the Bank to reduce its bill mountain — currently standing at around £9½bn—but for the moment it is embarrassingly high. Fears that the tax-paying season might denude the banks of their bill portfolio almost completely has presumably presuaded the authorities to introduce a gilt-edged repurchase agreement, running for a month.

After the efforts made last year to improve the workings of the bill market, through a widening of eligibility and changes in the rules governing the National Loans Fund and the Public Works Loan Board, this must represent something of an admission of defeat by the authorities. They must at least hope to avoid the pitfalls of the last such exercise, three years ago, when the banks cashed in their gilt-edged and promptly restored the shortage by purchasing more stock in the market.

Index rose 9.6 to 614.2



Thorn EMI

Thorn EMI had put up such conspicuous signposts to a poor *half-year performance that the* market took to a 39 per cent downturn in pre-tax profits—to £27.6m—yesterday as though it were manna from heaven. The share moved up 22p to 437p, helped by the group's forecast of a recovery in the current half on the back of the revival in consumer spending.

In the six months to September, the story was one of virtually unmitigated gloom. Sales hardly budged, and trading profits rose by only 5 per cent, from which they were then cut back sharply by the rise in depreciation and interest charges linked with the headlong video recorder expansion. To make matters worse, it was also hit by a big slump in the previously high-performing music division, while video piracy and a 40 per cent fall in cinema attendances led to continuing tribulations in the leisure business.

The change in the picture since September results partly from loss elimination — particularly in the U.S. music division and the lighting company — but also from the upswing in demand for domestic appliances and consumer electronics. On the rental side, this will mean more than doubling Thorn's video cassette installations to about 600,000 by the end of the year.

The expansion in rental is carrying a heavy cost in higher financial charges, but borrowings, likely to jump from £244m last March to £330m at the end of the current year, are expected to peak towards the end of 1983. With a gearing that will be approaching 60 per cent towards next March, the video cassette development places limits on Thorn's ability to expand elsewhere, particularly in cable TV. But cash flow from its current expansion will be running strongly next year, and the market is now looking for profits of around £100m for the present 12 months, giving Thorn a prospective multiple of around 17.

Mr Fieldhouse

The service contract for Mr Bill Fieldhouse in the Vantona/Carrington Viyella merger document—itself produced after considerable delays—looked dubious enough on its own. Who would turn down an option of collecting £375,000 as soon as he felt "dissatisfied." Certainly the institutions have been questioning Vantona closely as to why such an agreement was necessary. But now it has emerged that Mr Fieldhouse has collected something approaching £700,000 from the luckless Letraset, the questioning is likely to become more vigorous. And even though many institutions are extremely keen to see Carrington shored up through the Vantona merger, the service agreement clause threatens to throw a large spanner into the works.

Vantona justifies the agreement by saying that in practical terms the "dissatisfaction" clause makes no difference. As deputy chairman of the proposed combined group, if Mr Fieldhouse becomes unhappy with developments, a parting of ways would anyway follow. This argument may not satisfy the institutions. The clause more or less builds in a payout of a full five years' salary. Yet if a compensation payment dispute were to come to court, a judge would place some emphasis on an individual's ability to find new work when establishing the level of payment.

The institutions are now becoming increasingly involved in the reconstruction of British industry—a process in which the Vantona/Carrington merger constitutes a prime example. So it is entirely appropriate that they become closely involved in the question of rewards for unsuccessful management—and with chairmanships of both Letraset and Carrington under his belt, Mr Fieldhouse can hardly point to a string of success stories.